

**COMPOSITE SCHEME OF ARRANGEMENT  
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE SECTIONS OF THE  
COMPANIES ACT, 2013**

**AMONGST**

**ZEE ENTERTAINMENT ENTERPRISES LIMITED**

**("TRANSFEROR COMPANY 1")**

**AND**

**BANGLA ENTERTAINMENT PRIVATE LIMITED**

**("TRANSFEROR COMPANY 2")**

**AND**

**SONY PICTURES NETWORKS INDIA PRIVATE LIMITED  
("TRANSFeree COMPANY")**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**Certified True Copy**

**For Zee Entertainment Enterprises Limited**

  
**Authorised Signatory**

## INTRODUCTION

### WHEREAS:

1. **ZEE ENTERTAINMENT ENTERPRISES LIMITED** (hereinafter referred to as the “**Transferor Company 1**”), is a listed public limited company incorporated under the Companies Act, 1956 having its registered office at 18th Floor, ‘A’ wing, Marathon Futurex NM Joshi Marg, Lower Parel, Mumbai 400013, India, with permanent account number AAACZ0243R and the corporate identification number L92132MH1982PLC028767. The Transferor Company 1 was incorporated on November 25, 1982. The Transferor Company 1 is *inter alia* engaged in the business of TV content development, broadcasting of regional and international entertainment satellite television channels, movies, music and digital business. The equity shares of the Transferor Company 1 are listed on the Stock Exchanges (*as defined hereinafter*).
2. **BANGLA ENTERTAINMENT PRIVATE LIMITED** (hereinafter referred to as the “**Transferor Company 2**”), is a private limited company incorporated under the Companies Act, 1956 having its registered office at 4<sup>th</sup> Floor, Interface, Building No. 7, Off. Malad Link Road, Mumbai 400 064, with permanent account number AADCB0467E and the corporate identification number U92199MH2007PTC270854. The Transferor Company 2 was incorporated on February 1, 2007. The Transferor Company 2 is *inter alia* engaged in the business of acquisition, production, distribution and broadcast of audio-visual content for exploitation of such program services on a worldwide basis.
3. **SONY PICTURES NETWORKS INDIA PRIVATE LIMITED** (hereinafter referred to as the “**Transferee Company**”), is a private limited company incorporated under the Companies Act, 1956 having its registered office at 4<sup>th</sup> Floor, Interface, Building Number 7, Off Malad Link Road, Malad (West), Mumbai 400 064, with permanent account number AABCS1728D and the corporate identification number U92100MH1995PTC111487. The Transferee Company was incorporated on September 18, 1995. The Transferee Company is engaged in the business of, *inter alia* (a) creating, owning, operating, programming, providing, transmitting, distributing and promoting linear and non-linear non-news program services, including sports program services, delivered by any means primarily to viewers in India and the Indian diaspora globally, and (b) production, exhibition, broadcast, re-broadcast, transmission, re-transmission or other exploitation of non-news audio-visual content, including sports content, in any format or in any language spoken in India (including English) for exploitation of such program services.

### A. PREAMBLE

This Composite Scheme of Arrangement is presented under the provisions of Sections 230 to 232 and other relevant provisions of the Act (*as defined below*) and rules made thereunder and the relevant provisions of the SEBI Circular (*as defined below*), and the relevant provisions of the Listing Regulations (*as defined below*), for: (i) sub-division of the share capital of the Transferee Company (*as defined below*) and issuance and allotment of the SPNI Bonus Shares (*as defined below*) by way of a bonus issue (“**Bonus Issuance**”), and issuance and allotment of (x) the SPNI Subscription Shares (*as defined below*) by way of a rights issue by the Transferee Company to the SPNI Shareholder(s) (*as defined below*), in consideration of the contribution of the SPNI Subscription Amount (*as defined below*) to the Transferee Company by the SPNI Shareholder(s) and (y) the Essel Subscription Shares (*as defined below*) to Essel Mauritius (*as defined below*) and Essel Mauritius SPV (*as defined below*), in the proportion set out in **Schedule E**, by way of a preferential issue by the Transferee Company to Essel Mauritius and Essel Mauritius SPV (*as defined below*), in consideration of the contribution of the Essel Subscription Amount (*as defined below*) to the Transferee Company by Essel Mauritius and Essel Mauritius SPV (*as defined below*) (the share issuance in (x) and (y) collectively referred



to as the “Share Issuance”); (ii) amalgamation of the Transferor Company 1 (*as defined below*) with and into the Transferee Company in accordance with Section 2 (1B) of the IT Act (*as defined below*); (iii) amalgamation of the Transferor Company 2 (*as defined below*) with and into the Transferee Company in accordance with Section 2 (1B) of the IT Act, and (iv) certain arrangements amongst the Sony Group (*as defined below*) and the Essel Group (*as defined below*), pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act and rules made thereunder, and the relevant provisions of the SEBI Circular and the Listing Regulations. In addition, this Scheme (*as defined below*) also provides for various other matters consequential or otherwise integrally connected herewith.

## B. RATIONALE FOR THE SCHEME

The Transferee Company is *inter alia* engaged in the business of (1) creating, owning, operating, programming, providing, transmitting, distributing and promoting linear and non-linear, non-news program services, including sports program services, delivered by any means primarily to viewers in India and the Indian diaspora globally, and (2) production, exhibition, broadcast, re-broadcast, transmission, re-transmission or other exploitation of non-news audio-visual content, including sports content, in any format or in any language spoken in India (including English) for exploitation of such program services.

The Transferor Company 1 is *inter alia* engaged in the business of TV content development, broadcasting of regional and international entertainment satellite television channels, movies, music and digital business.

The Transferor Company 2 is *inter alia* engaged in business of acquisition, production, distribution and broadcast of audio-visual content for exploitation of such program services on a worldwide basis.

With a view to consolidate the business interests of the Parties (*as defined below*), the Parties have decided that the Transferor Company 1 and the Transferor Company 2 with all their business interests, be amalgamated with the Transferee Company.

The Parties believe that (a) the proposed sub-division of the share capital of the Transferee Company, the Bonus Issuance to the SPNI Shareholder(s) and Share Issuance to the SPNI Shareholder(s) and Essel Mauritius and Essel Mauritius SPV; (b) the proposed amalgamation of the Transferor Company 1 with and into the Transferee Company; (c) the proposed amalgamation of the Transferor Company 2 with and into the Transferee Company, and (d) the other arrangements contemplated under this Scheme, would be to the benefit of the shareholders and creditors of each of the Parties and would, *inter alia*, have the following benefits:

- (a) the proposed amalgamation and Share Issuance will enable the Parties to combine their businesses and create a financially strong amalgamated company. Each of the Parties bring well recognized entertainment offerings across platforms that will enable the amalgamated company to cater to the entertainment needs of viewers across various segments and age groups;
- (b) the Parties have a history of bringing quality entertainment content to audiences across India. The amalgamated company will be well positioned to capitalize on the growth in the television broadcasting market;
- (c) each of the Parties have a strong presence in the digital media space. Transferor Company 1 and Transferee Company are amongst the leading over the top platforms. Each of the Parties’ content and strengths when combined will position the amalgamated company to capitalize on the rapid growth in the digital market and compete with market leaders;



- (d) the combined scale and audience reach of the amalgamated company across television and digital platforms, will also enable it to compete effectively for advertisers. The financial strength of the amalgamated company will also enable it to compete effectively for acquiring upcoming rights to marquee sporting events across cricket and other sports; and
- (e) each of the Parties have a strong brand recall across both television and digital media markets and as both markets evolve and grow, the amalgamated company will be well positioned to compete effectively with its peers in these markets. The transactions contemplated by the Scheme provides an opportunity that benefits all the stakeholders of the Parties.

## C. DEFINITIONS AND INTERPRETATION

### 1. DEFINITIONS

1.1. For the purposes of this Scheme, the following expressions shall have the meanings mentioned herein below:

- (a) “**Act**” means the (Indian) Companies Act, 2013, together with all rules, regulations, circulars, notifications, clarifications and orders issued by any Governmental Authority in respect of the foregoing.
- (b) “**Affiliate**” means,
  - (i) with respect to any Person that is not a natural person, any Person Controlled, directly or indirectly, by that Person, or any Person that Controls, directly or indirectly, that Person, or any Person under common Control with that Person, directly or indirectly; and
  - (ii) with respect to any Person that is a natural person (a) any Person Controlled directly or indirectly, by that Person or his/ her Relative(s) or any Trust(s); (b) any trust, of which such Person or his/her Relative or any Person Controlled directly or indirectly, by that Person or his/ her Relatives, is a direct or indirect beneficiary (“**Trust**”); and (c) his/ her Relatives.
- (c) “**Applicable Law(s)**” means to the extent applicable, all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directives of any Governmental Authority or Person acting under the authority of any Governmental Authority.
- (d) “**Appointed Date**” shall mean the Effective Date;
- (e) “**Approvals**” mean approvals, permissions, consents, validations, confirmations, waivers, no-objection letters, permits, grants, concessions, certificates, registrations, exemption orders, licenses and other authorizations required to be obtained from any Person, including any Governmental Authority, under Applicable Laws or otherwise.
- (f) “**Articles**” means the articles of association of the Transferee Company.
- (g) “**Board**” means the board of Directors of the Transferor Company 1, the Transferor Company 2 and the Transferee Company, as may be applicable.
- (h) “**Bonus Issuance**” has the meaning assigned to such term in the Preamble of this Scheme.



- (i) "**Closing Date**" has the meaning assigned to such term in the Merger Cooperation Agreement.
- (j) "**Controlling**", "**Controlled by**" or "**Control**" with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, by agreement or otherwise or the power to elect more than one-half of the directors, partners or other individuals exercising similar authority with respect to such Person.
- (k) "**Designated Bank Account(s)**" means the separate bank account(s) maintained by the Transferee Company into which the SPNI Shareholder(s) are required to remit the SPNI Subscription Amount and Essel Mauritius and Essel Mauritius SPV are required to remit the Essel Subscription Amount in accordance with the terms of this Scheme, the details of which shall be notified by Transferee Company to each of the SPNI Shareholder(s), Essel Mauritius and Essel Mauritius SPV in writing prior to the Effective Date.
- (l) "**Directors**" means a member of the Board of the Transferor Company 1, the Transferor Company 2 and the Transferee Company, as may be applicable.
- (m) "**Effective Date**" has the meaning assigned to such term in Clause 5.1 of Section V 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.

- (n) "**Equity Shares**", with respect to a company, means the fully paid-up equity shares of such company.
- (o) "**Essel Group**" means the Persons set out in **Schedule A** of the Scheme.
- (p) "**Essel Mauritius**" means Essel Holdings Limited.
- (q) "**Essel Mauritius SPV**" means Sunbright Mauritius Investment Limited.
- (r) "**Essel Subscription Amount**" shall mean INR 1101,30,91,800 (Eleven Hundred and One Crore Thirty Lakh Ninety One Thousand and Eight Hundred), being the aggregate consideration to be paid by Essel Mauritius and Essel Mauritius SPV, in the proportion set out in **Schedule E**, in accordance with Section I of the Scheme for subscription to the Essel Subscription Shares.
- (s) "**Essel Subscription Shares**" shall mean 3,67,10,306 (Three Crores Sixty Seven Lakhs Ten Thousand Three Hundred and Six) Equity Shares of the Transferee Company having a face value of INR 1 (Indian Rupee One) each to be issued to Essel Mauritius and Essel Mauritius SPV by way of a preferential issue, in the proportion set out in **Schedule E**.
- (t) "**Governmental Authority(ies)**" means (i) any international, supra-national, national, state, city or local governmental, regulatory or statutory authority; (ii) any commission, organisation, agency, department, ministry, board, bureau or instrumentality of any of the foregoing (and "**instrumentality of any of the foregoing**" includes any entity owned or controlled by any of such foregoing authorities); (iii) any stock exchange or similar self-regulatory or quasi-governmental agency or private body exercising any regulatory or administrative functions of or relating to the government; (iv) any arbitrator, arbitral body, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction over any of the Parties; and (v) any state or other subdivision thereof or any municipality, district or other



subdivision thereof.

- (u) “**Independent Directors**” means 3 (three) individuals as identified and nominated by the Sony Group in accordance with the proposed articles of association of the Transferee Company as set out in **Schedule B** of this Scheme, and appointed by the Transferee Company as ‘independent directors’ (as defined under Applicable Law) on the Board of the Transferee Company, prior to the Effective Date.
- (v) “**INR**” means the lawful currency of the Republic of India;
- (w) “**Intangible Assets**” means and includes all intellectual property rights and licenses of every kind and description throughout the world (including distribution licenses, and approvals/licenses from any Governmental Authority), in each case, whether registered or unregistered, and including any applications for registration of any intellectual property, 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 business of the Transferor Company 1 or the Transferor Company 2, as applicable, together with the exclusive right of the Transferee Company and its assignees to represent themselves as carrying on the business in succession to the Transferor Company 1 or the Transferor Company 2, respectively.
- (x) “**Inventory**” shall mean all inventory of the Transferor Company 1 or the Transferor Company 2, as applicable, including any content licenses, film licenses, music licenses or other intellectual property that is treated as inventory by the Transferor Company 1 or the Transferor Company 2, as applicable.
- (y) “**IT Act**” means the (Indian) Income-tax Act, 1961, any re-enactment thereof and the rules, regulations, circulars and notifications issued thereunder, each as amended, modified, replaced or supplemented from time to time and to the extent in force.
- (z) “**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, modified, replaced or supplemented from time to time and to the extent in force.
- (aa) “**Merger Cooperation Agreement**” means the merger cooperation agreement dated December 22, 2021 executed amongst the Transferor Company 1, Transferor Company 2 and Transferee Company.
- (bb) “**Non-Compete Fee**” has the meaning assigned to such term in Clause 4.2 of Section IV of this Scheme.
- (cc) “**Parties**” means the Transferor Company 1, the Transferor Company 2 and the Transferee Company, collectively.
- (dd) “**Person**” means any natural person, limited or unlimited liability company, corporation, partnership firm (whether limited or unlimited), proprietorship firm, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as an entity under Applicable Law.



- (ee) “**Record Date**” means the date to be fixed by the Board of the Transferee Company for the purpose of determining the shareholders of the Transferor Company 1 and the Transferor Company 2 that are to be issued shares of the Transferee Company in accordance with the Merger Cooperation Agreement, pursuant to Section II and Section III of this Scheme.
- (ff) “**Registered Valuer**” means a Person registered as a valuer in terms of Section 247 of the Act.
- (gg) “**Relative**” has the meaning ascribed to such term in the Act.
- (hh) “**RoC Mumbai**” means the Registrar of Companies, Mumbai.
- (ii) “**Scheme**” means this composite scheme of arrangement amongst the Transferor Company 1, the Transferor Company 2 and the Transferee Company and their respective shareholders and creditors, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, and rules made thereunder.
- (jj) “**SEBI**” means the Securities and Exchange Board of India.
- (kk) “**SEBI Circular**” means the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, and includes any substitution, modification or reissuance thereof from time to time.
- (ll) “**Share Issuance**” has the meaning assigned to such term in the Preamble of this Scheme.
- (mm) “**Sony Group**” means SPE Mauritius Investments Limited and SPE Mauritius Holdings Limited.
- (nn) “**Sony Group Directors**” means the persons who have been identified and nominated by the Sony Group and appointed by the Transferee Company as the nominee directors of the Sony Group on the Board of the Transferee Company prior to the Effective Date such that all such nominee director(s) on the Board of the SPNI / the Resultant Entity do not exceed 5 (five) in number.
- (oo) “**SPE Mauritius**” means SPE Mauritius Investments Limited, a person incorporated under the laws of Mauritius and having its registered office at 6th Floor, Tower ‘A’, 1 Cybercity, Ebene Mauritius.
- (pp) “**SPNI Bonus Shares**” shall mean 475,346,400 (Four Hundred And Seventy Five Million Three Hundred And Forty Six Thousand And Four Hundred) Equity Shares of the Transferee Company having a face value of INR 1 (Indian Rupee One) each to be issued by way of a bonus issue.
- (qq) “**SPNI Share Issuance Record Date**” means the date to be fixed by the Board of the Transferee Company for the purpose of determining the shareholders of Transferee Company that are to be offered shares of the Transferee Company, pursuant to Section I of this Scheme.
- (rr) “**SPNI Shareholder(s)**” means the equity shareholders of the Transferee Company as on the SPNI Share Issuance Record Date.
- (ss) “**SPNI Subscription Amount**” shall mean INR 7948,69,08,300 (Seventy Nine Hundred and Forty Eight Crore Sixty Nine Lakh Eight Thousand and Three Hundred), being the aggregate consideration to be paid by the SPNI Shareholder(s) in accordance with Section I of the Scheme for subscription to the SPNI Subscription Shares.



- (tt) **"SPNI Subscription Shares"** shall mean 264,956,361 (Two Hundred And Sixty Four Million Nine Hundred And Fifty Six Thousand Three Hundred And Sixty One) Equity Shares of the Transferee Company having a face value of INR 1 (One) each to be issued to the SPNI Shareholder(s) by way of a rights issue.
- (uu) **"Stock Exchanges"** means the stock exchanges where the equity shares of the Transferor Company 1 are listed and are admitted to trading, viz, the BSE Limited and the National Stock Exchange of India Limited.
- (vv) **"Takeover Code"** has the meaning assigned to such term in Clause 4.4 of Section V of this Scheme.
- (ww) **"Transferee Company"** has the meaning assigned to such term in Recital 3 of the Introduction of this Scheme.
- (xx) **"Transferor Company 1"** has the meaning assigned to it in Recital 1 of the Introduction of this Scheme and includes, without limitation:
- (i) all assets, whether moveable or immovable, whether tangible or intangible, whether leasehold or freehold, equipment, including without limitation all rights, title, interests, claims, covenants and undertakings of the Transferor Company 1 in such assets;
  - (ii) all investments, receivables, loans, security deposits and advances extended, including without limitation accrued interest thereon, of the Transferor Company 1;
  - (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured, if any, availed by the Transferor Company 1;
  - (iv) all permits, rights, entitlements, licenses, approvals (including licenses and approvals from any Governmental Authority), grants, allotments, recommendations, clearances and tenancies of the Transferor Company 1;
  - (v) all taxes, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess, tax credits (including, without limitation, all amounts claimed as refund, whether or not so recorded in the books of accounts, and credits in respect of income tax, such as carry forward tax losses and unabsorbed depreciation), tax deducted at source, tax collected at source, foreign tax credit, equalization levy, customs duty, CENVAT, value added tax, turnover tax, goods and services tax, minimum alternate tax credit, central sales tax and excise duty of the Transferor Company 1, and all rights to any claim not preferred or made by the Transferor Company 1 in respect of (a) any refund of tax, duty, cess or other charge (including any erroneous or excess payment thereof made by the Transferor Company 1) and any interest thereon, and (b) any set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortisation benefit, etc. under Applicable Law;
  - (vi) all Intangible Assets and Inventory of every kind and description whatsoever, of the Transferor Company 1;
  - (vii) all privileges and benefits of, or under, all contracts, agreements, purchase and sale orders, memoranda of understanding, bids, tenders, expressions of interest, letters of intent, commitments, undertakings, deeds, bonds, arrangements of any kind and other instruments of whatsoever nature and description, whether written, oral or otherwise, and all other rights including without limitation lease rights, licenses and facilities of every kind and description whatsoever, of the Transferor Company 1;





- (viii) insurance covers and claims to which the Transferor Company 1 is a party, or to the benefit of which the Transferor Company 1 is eligible;
  - (ix) all employees of the Transferor Company 1;
  - (x) all advance payments, earnest monies, security deposits, advance rentals, payment against warrants, if any, or other rights or entitlements of the Transferor Company 1;
  - (xi) 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 1; and
  - (xii) 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 1.
- (yy) **“Transferor Company 2”** has the meaning assigned to it in Recital 2 of the Introduction of this Scheme and includes, without limitation:
- (i) all assets, whether moveable or immovable, whether tangible or intangible, whether leasehold or freehold, equipment, including without limitation all rights, title, interests, claims, covenants and undertakings of the Transferor Company 2 in such assets;
  - (ii) all investments, receivables, loans, security deposits and advances extended, including without limitation accrued interest thereon, of the Transferor Company 2;
  - (iii) all debts, borrowings and liabilities, whether present or future, whether secured or unsecured, if any, availed by the Transferor Company 2;
  - (iv) all permits, rights, entitlements, licenses, approvals (including licenses and approvals from any Governmental Authority), grants, allotments, recommendations, clearances and tenancies of the Transferor Company 2;
  - (v) all taxes, tax deferrals and benefits, subsidies, concessions, refund of any tax, duty, cess, tax credits (including, without limitation, all amounts claimed as refund, whether or not so recorded in the books of accounts and credits in respect of income tax, such as carry forward tax losses and unabsorbed depreciation), tax deducted at source, tax collected at source, foreign tax credit, equalization levy, customs duty, CENVAT, value added tax, turnover tax, goods and services tax, minimum alternate tax credit, central sales tax and excise duty of the Transferor Company 2, and all rights to any claim not preferred or made by the Transferor Company 2 in respect of (a) any refund of tax, duty, cess or other charge (including any erroneous or excess payment thereof made by the Transferor Company 2) and any interest thereon, and (b) any set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortisation benefit, etc. under Applicable Law;
  - (vi) all Intangible Assets and Inventory of every kind and description whatsoever, of the Transferor Company 2;
  - (vii) all privileges and benefits of, or under, all contracts, agreements, purchase and sale orders, memoranda of understanding, bids, tenders, expressions of interest, letters of intent, commitments, undertakings, deeds, bonds, arrangements of any kind and other



instruments of whatsoever nature and description, whether written, oral or otherwise, and all other rights including without limitation lease rights, licenses and facilities of every kind and description whatsoever, of the Transferor Company 2;

- (viii) insurance covers and claims to which the Transferor Company 2 is a party, or to the benefit of which the Transferor Company 2 is eligible;
  - (ix) all employees of the Transferor Company 2;
  - (x) all advance payments, earnest monies, security deposits, advance rentals, payment against warrants, if any, or other rights or entitlements of the Transferor Company 2;
  - (xi) 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 2; and
  - (xii) 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 2.
- (zz) **“Tribunal”** means the Mumbai bench of the National Company Law Tribunal having jurisdiction over the Parties.
- (aaa) **“Trustee 1”** has the meaning assigned to such term in Clause 3.4 of Section II of this Scheme.
- (bbb) **“Trustee 2”** has the meaning assigned to such term in Clause 3.5 of Section II of this Scheme.
- (ccc) **“ZEEL Director”** means Mr. Punit Goenka, a person resident in India, currently residing at 7th Floor, Vasant Sagar Properties Pvt. Ltd, A Road, Opp Jai Hind College, Churchgate, Mumbai and having permanent account number AAEPG2529E.

## 2. INTERPRETATION

In this Scheme, unless the context requires otherwise:

- (a) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (b) words in the singular shall include the plural and vice versa;
- (c) the terms “hereof”, “herein”, or similar expressions used in this Scheme mean and refer to this Scheme and not to any particular clause of this Scheme;
- (d) wherever the word “include”, “includes”, or “including” is used in this Scheme, it shall be deemed to be followed by the words “without limitation”;
- (e) Schedules form part of this Scheme, and shall have the same force and effect as if expressly set out in the body of this Scheme;
- (f) any reference to any enactment, rule, regulation, notification, circular or statutory provision is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with or without modification) and includes all instruments or orders



made under such enactment;

- (g) any reference to an “agreement” or “document” shall be construed as a reference to such agreement or document as amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document;
- (h) where a wider construction is possible, the words “other” and “otherwise” shall not be construed *ejusdem generis* with any foregoing words; and
- (i) any reference to “INR” is to Indian National Rupees.

#### **D. PARTS OF THE SCHEME**

This Scheme is divided into the following sections:

##### **1. SECTION I**

**Part A** deals with the share capital details of the Transferee Company.

**Part B** deals with the sub-division of the share capital of the Transferee Company, the Bonus Issuance by the Transferee Company to the SPNI Shareholder(s), and Share Issuance by the Transferee Company to the SPNI Shareholder(s), Essel Mauritius and Essel Mauritius SPV.

##### **2. SECTION II**

#### **AMALGAMATION OF THE TRANSFEROR COMPANY 1 WITH AND INTO THE TRANSFEREE COMPANY**

**Part A** deals with the share capital details of the Transferor Company 1 and the Transferee Company.

**Part B** deals with the amalgamation of the Transferor Company 1 with and into the Transferee Company, in accordance with Section 2 (1B) of the IT Act and Sections 230 to 232 and other relevant provisions of the Act and rules made thereunder, and the relevant provisions of the SEBI Circular and the Listing Regulations.

**Part C** deals with the discharge of consideration for amalgamation of the Transferor Company 1 with and into the Transferee Company.

**Part D** deals with the accounting treatment in the books of the Transferee Company and dissolution without winding up of the Transferor Company 1.

##### **3. SECTION III**

#### **AMALGAMATION OF THE TRANSFEROR COMPANY 2 WITH AND INTO THE TRANSFEREE COMPANY**

**Part A** deals with the share capital details of the Transferor Company 2 and the Transferee Company.

**Part B** deals with the amalgamation of the Transferor Company 2 with and into the Transferee Company, in accordance with Section 2 (1B) of the IT Act and Sections 230 to 232 and other relevant provisions of the Act and rules made thereunder.

**Part C** deals with the discharge of consideration for the amalgamation of the Transferor



Company 2 with and into the Transferee Company.

**Part D** deals with the accounting treatment in the books of the Transferee Company and dissolution without winding up of the Transferor Company 2.

**4. SECTION IV**

Section IV deals with certain arrangements amongst the Transferee Company, the Sony Group and the Essel Group.

**5. SECTION V**

Section V deals with the general terms and conditions applicable to the Scheme including, *inter alia*, transfer of the authorised share capital of the Transferor Company 1 and the Transferor Company 2 to the Transferee Company, conversion of the Transferee Company into a public company and listing of Equity Shares of the Transferee Company.



## SECTION I

### SUB-DIVISION OF THE SHARE CAPITAL AND ISSUANCE OF EQUITY SHARES BY THE TRANSFEREE COMPANY

#### PART A

#### 1. SHARE CAPITAL

1.1. The share capital of the Transferee Company as on December 22, 2021 is as under:

Share Capital	Amount (INR)
<i>Authorised Capital</i>	851,000,000
85,100,000 (Eighty Five Million One Hundred Thousand) Equity Shares having a face value of INR 10 (Indian Rupees Ten) each	(Indian Rupees Eight Hundred and Fifty-One Million)
<b>Total</b>	<b>851,000,000</b>
<i>Issued, Subscribed and Paid-up Capital</i>	118,836,600
11,883,660 (Eleven Million Eight Hundred and Eighty Three Thousand Six Hundred and Sixty) Equity Shares having a face value of INR 10 (Indian Rupees Ten) each	(Indian Rupees One Hundred and Eighteen Million Eight Hundred and Thirty Six Thousand and Six Hundred)
<b>Total</b>	<b>118,836,600</b>

1.2. The shares of the Transferee Company are not listed on any stock exchange.

#### PART B

#### 2. SUB-DIVISION OF THE SHARE CAPITAL AND ISSUANCE OF EQUITY SHARES BY THE TRANSFEREE COMPANY

2.1. Upon the Scheme coming into effect on the Effective Date, and in accordance with Clause 6 of Section V of this Scheme:

- (a) The Transferee Company shall, without any further act, instrument or deed, sub-divide each Equity Share of the Transferee Company having a face value of INR 10 (Indian Rupees Ten) into 10 (One) Equity Shares of the Transferee Company having a face value of INR 1 (One) each. Pursuant to the sub-division of the Equity Shares of the Transferee Company, the authorised share capital and issued, subscribed and paid-up share capital of the Transferee Company shall be as follows:



Share Capital	Amount (INR)
<i>Authorised Capital</i>	
851,000,000 (Eight Hundred Fifty One Million) Equity Shares having a face value of INR 1 (Indian Rupees One) each	851,000,000 (Indian Rupees Eight Hundred and Fifty-One Million)
<b>Total</b>	<b>851,000,000</b>
<i>Issued, Subscribed and Paid-up Capital</i>	
118,836,600 (One Hundred And Eighteen Million Eight Hundred And Thirty Six Thousand And Six Hundred) Equity Shares having a face value of INR 1 (Indian Rupees One) each	118,836,600 (Indian Rupees One Hundred and Eighteen Million Eight Hundred and Thirty Six Thousand and Six Hundred)
<b>Total</b>	<b>118,836,600</b>

- (b) After taking into effect the sub-division of the Equity Shares of the Transferee Company as contemplated in (a) above, the authorised share capital clause of the memorandum of association (Clause V) of the Transferee Company shall stand modified and read as follows:

*“The Authorised Share Capital of the Company is INR 85,10,00,000 (Indian Rupees Eighty Five Crores Ten Lakhs only) divided into 85,10,00,000 (Eighty Five Crores Ten Lakhs only) equity shares of face value of INR 1 (Indian Rupees One only) each.”*

- (c) The Board of the Transferee Company shall, without any further act, instrument or deed, issue and allot the SPNI Bonus Shares by way of a bonus issue to the SPNI Shareholder(s) in proportion to their shareholding in the Transferee Company as on the SPNI Share Issuance Record Date.
- (d) The Board of the Transferee Company shall, without any further act, instrument or deed, but subject to receipt of the SPNI Subscription Amount in the Designated Bank Account, issue and allot the SPNI Subscription Shares by way of a rights issue to the relevant SPNI Shareholder(s) who subscribe to the rights issue, in consideration of the SPNI Subscription Amount paid by such SPNI Shareholder(s) to the Transferee Company into the Designated Bank Account on the Closing Date.
- (e) Upon completion of the actions set forth in (d) above, the Board of the Transferee Company shall, without any further act, instrument or deed, but subject to receipt of the Essel Subscription Amount in the Designated Bank Account, issue and allot the Essel Subscription Shares by way of preferential issue to Essel Mauritius and Essel Mauritius SPV, in the proportion set out in **Schedule E** and in consideration of the Essel Subscription Amount paid by Essel Mauritius and Essel Mauritius SPV to the Transferee Company into a Designated Bank Account on the Closing Date, in the proportion set out in **Schedule E**.

The price per share at which (a) the SPNI Subscription Shares are proposed to be issued



has been taken on record and approved by the Board of the Transferee Company after taking into consideration the valuation report dated December 21, 2021 provided by RBSA Capital Advisors LLP that has been prepared in accordance with the pricing guidelines set out under the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder (including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019); and (b) the Essel Subscription Shares are proposed to be issued has been taken on record and approved by the Board of the Transferee Company after taking into consideration (x) the valuation report dated December 21, 2021 provided by RBSA Valuation Advisors LLP, a Registered Valuer that has been prepared in accordance with the Act and (y) the valuation report dated December 21, 2021 provided by RBSA Capital Advisors LLP that has been prepared in accordance with the pricing guidelines set out under the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder (including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019).

The Equity Shares issued by the Transferee Company in terms of this Clause 2 of Section I of the Scheme shall be issued in dematerialized form and the register of members and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of such Equity Shares by the Transferee Company in terms of this Scheme.

Upon issuance and allotment of the SPNI Bonus Shares, SPNI Subscription Shares and Essel Subscription Shares, and prior to the issuance of shares under Section II and Section III of this Scheme, the issued, subscribed and paid-up share capital of the Transferee Company shall be as follows:

Share Capital	Amount (INR)
<i>Issued, Subscribed and Paid-up Share Capital</i>	
89,58,49,667 (Eighty Nine Crores Fifty Eight Lakhs Forty Nine Thousand Six Hundred Sixty Seven) Equity Shares having a face value of INR 1 (Indian Rupees One) each	89,58,49,667 (Indian Rupees Eighty Nine Crores Fifty Eight Lakhs Forty Nine Thousand Six Hundred Sixty Seven)
<b>Total</b>	<b>89,58,49,667</b>

- 2.2. On the approval of the Scheme by the Board and members of each of the Parties pursuant to Sections 230-232 of the Act and other relevant provisions of the Act and rules made thereunder, if applicable, it shall be deemed that the Board and members of each of the Parties have also accorded their consent under Sections 13, 61, 42, 62, 63 and 64 of the Act and/ or any other applicable provisions of the Act and rules made thereunder and the relevant provisions of the Articles, as may be applicable for the aforesaid sub-division of the Equity Shares of the Transferee Company, amendment of the memorandum of association of the Transferee Company and issuance of the SPNI Bonus Shares, SPNI Subscription Shares and Essel Subscription Shares, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferee Company under Sections 13, 61, 42, 62, 63 or 64 of the Act and/ or any other applicable provisions of the Act and rules made thereunder. Upon this Scheme coming into effect, the Transferee Company shall, if required, file all necessary documents/ intimations as per the provisions of Act and rules made thereunder with RoC Mumbai or any other applicable authority to record the aforesaid sub-division of its Equity Shares, amendment of its memorandum of association and issuance of the SPNI Bonus Shares, SPNI Subscription Shares and Essel Subscription Shares, in the manner set out in this Clause 2 of Section I of the Scheme.



- 2.3. The sub-division of the Equity Shares of the Transferee Company, amendment of the memorandum of association of the Transferee Company and issuance and allotment of the SPNI Bonus Shares, SPNI Subscription Shares and Essel Subscription Shares shall be undertaken as an integral part of the Scheme and in accordance with Clause 6 of Section V of this Scheme. The SPNI Bonus Shares to be issued to the SPNI Shareholder(s), SPNI Subscription Shares to be issued to the SPNI Shareholder(s) and Essel Subscription Shares to be issued to Essel Mauritius and Essel Mauritius SPV pursuant to Section I of this Scheme shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company, including with respect to dividend, bonus, voting rights and other corporate benefits attached to the Equity Shares of the Transferee Company.





## SECTION II

### AMALGAMATION OF THE TRANSFEROR COMPANY 1 WITH AND INTO THE TRANSFEREE COMPANY

#### PART A

#### WHEREAS

- A. Section II of this Scheme provides for the amalgamation of the Transferor Company 1 with and into the Transferee Company and the dissolution without winding up of the Transferor Company 1, pursuant to and under Sections 230 to 232 and other applicable provisions of the Act and rules made thereunder, the SEBI Circular and the Listing Regulations.
- B. The amalgamation of the Transferor Company 1 with and into the Transferee Company, pursuant to and in accordance with this Scheme, shall be in accordance with Section 2(1B) of the IT Act.

#### 1. SHARE CAPITAL

- 1.1. The share capital of the Transferor Company 1 as on December 22, 2021 is as under:

Share Capital	Amount (INR)
<i>Authorised Share Capital</i>	
2,000,000,000 (Two Billion) Equity Shares of Re. 1/- (Indian Rupee One) each	2000,000,000
2,100,000,000 (Two Billion and One Hundred Million) Bonus Preference Shares of Rs. 10/- (Indian Rupees Ten) each	21,000,000,000
<b>Total</b>	<b>23,000,000,000</b>
<i>Issued, Subscribed and Paid-up Share Capital</i>	
960,515,715 (Nine Hundred and Sixty Million Five Hundred and Fifteen Thousand Seven Hundred and Fifteen) equity shares of Re. 1/- (Indian Rupee One) each	960,515,715
2,016,942,312 (Two Billion and Sixteen Million Nine Hundred and Forty Two Thousand Three Hundred and Twelve) Bonus Preference Shares of Rs. 2/- (Indian Rupees Two) each	4,033,884,624
<b>Total</b>	<b>4,994,400,339</b>

- 1.2. The shares of the Transferor Company 1 are listed on the Stock Exchanges.

#### PART B

### 2. AMALGAMATION OF THE TRANSFEROR COMPANY 1 WITH AND INTO THE TRANSFEREE COMPANY

- 2.1. Subject to the provisions of Section II of the Scheme in relation to the modalities of amalgamation and in accordance with Clause 6 of Section V of this Scheme, upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferor Company 1, together with all its present and future properties, assets, investments,



borrowings, approvals, intellectual property rights, insurance covers or claims, records, licenses, rights, benefits, interests, employees, contracts, obligations, proceedings and liabilities, shall amalgamate with the Transferee Company, as a going concern, and all presents and future properties, assets, investments, borrowings, approvals, intellectual property rights, insurance covers or claims, records, licenses, rights, benefits, interests, employees, contracts, obligations, proceedings and liabilities of the Transferor Company 1 shall stand transferred to and vested in and shall become the property of and an integral part of the Transferee Company, subject to the existing charges and encumbrances, if any, (to the extent such charges or encumbrances are outstanding on the Effective Date), by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by either of the Transferor Company 1 or the Transferee Company. Without prejudice to the generality of the above, in particular, the Transferor Company 1 shall stand amalgamated with and into the Transferee Company, in the manner described in sub-paragraphs (a) – (l) below:

- a. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Transferor Company 1, if any, 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 Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed 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, if any, 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. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the title to the immovable properties of the Transferor Company 1, if any, shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the vesting order of the Tribunal sanctioning the Scheme with the appropriate registrar and sub-registrar of assurances shall suffice as record of the Transferee Company's title to such immovable properties pursuant to the Scheme coming into effect on the Effective Date and shall constitute a deemed mutation and substitution thereof. The Transferee Company shall in pursuance of the vesting order of the Tribunal be entitled to the delivery and possession of all documents of title in respect of such immovable property, if any, in this regard. Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Company 1 in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Transferee Company, if the Transferee Company so decides, the respective Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined in accordance with the Applicable Laws. The transfer of such immovable properties shall form an integral part of this Scheme.
- b. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all assets of the Transferor Company 1 as 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 without limitation equipment, furniture, fixtures, 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, 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 Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 1 or the 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 the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any and all other movable property (except those specified elsewhere in this Clause) including without limitation investments in shares and any other securities, all sundry debts and receivables, outstanding loans and advances, if any, relating to the Transferor Company 1, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with Governmental Authorities, semi-Governmental Authorities, 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 Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 1 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 the Effective Date and with effect from the Appointed Date, cheques received in the name of the Transferor Company 1, to enable the Transferee Company to receive the amounts thereunder.
- d. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all debts, borrowings, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Transferor Company 1, whether provided for or not in the books of accounts of the Transferor Company 1 or disclosed in the balance sheet of such Transferor Company 1 or not, shall stand transferred to and vested in the Transferee Company, 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, and shall be discharged by, the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company.
- e. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all incorporeal or Intangible Assets and Inventory of the Transferor Company 1 or granted to the Transferor Company 1 shall stand vested in and transferred to 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 Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company.
- f. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed 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 1 to which it 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 Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company 1, the Transferee Company had been a party or beneficiary or obligee 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 1 or to the benefit of which the Transferor Company 1 may be eligible and which are subsisting or have effect immediately before the Effective Date, including without limitation all rights and benefits (including without limitation benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon this Scheme coming into effect on the Effective Date, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, as the case may be, of the Transferee Company, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company and shall be appropriately transferred or assigned by the concerned parties/ Governmental Authority in favour of the Transferee Company.

- g. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any and all statutory licenses or other licenses (including the licenses granted to the Transferor Company 1 by any Governmental Authority for the purpose of carrying on its business or in connection therewith), no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, easements, goodwill, entitlements, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Transferor Company 1 or granted to the Transferor Company 1 shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company, and shall be appropriately transferred or assigned by the concerned parties or Governmental Authorities in favour of the Transferee Company upon amalgamation of the Transferor Company 1 with and into the Transferee Company pursuant to the Scheme, subject to the provisions of Applicable Laws. The benefit of all statutory and regulatory permissions, approvals and consents including without limitation statutory licenses, permissions, approvals or consents required to carry on the operations of the Transferor Company 1 shall vest in and become available to the Transferee Company upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company.
- h. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings (including tax proceedings) initiated by or against the Transferor Company 1. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, if any notice, dispute, suit, appeal, complaint, claim or other proceeding of whatsoever nature by or against the Transferor Company 1, including (but not limited to) 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 1 with and into the Transferee 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 1, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company.

- i. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all persons who were employed in the Transferor Company 1 immediately before such date shall become employees of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company, on terms and conditions which are overall no less favourable 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 1 who become employees of the Transferee Company by virtue of this Scheme, shall be governed by the terms of employment of the Transferee Company (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Transferee Company are overall no less favourable than those that were applicable to such employees immediately before such amalgamation. In addition, with regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the employees of the Transferor Company 1 who become employees of the Transferee Company by virtue of this Scheme, (x) all contributions made to such funds by the Transferor Company 1 on behalf of such employees shall be deemed to have been made on behalf of the Transferee Company, upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date and shall be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be, and (y) all contributions made by such employees, including interests/ investments (which are referable and allocable to the employees transferred), upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, shall be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be. Where applicable and required, in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the employees of the Transferor Company 1 who become employees of the Transferee Company by virtue of this Scheme, the Transferee Company shall stand substituted for the Transferor Company 1, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 1 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. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company 1 in relation to such schemes or funds shall become those of the Transferee Company. In addition, upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee forming part of the Transferor Company 1 shall be continued/ continue to operate against the relevant employee and the Transferee Company shall be entitled to take any relevant action or sanction, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company.



- j. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of Transferor Company 1, take into account the past services of such employees with the Transferor Company 1.
- k. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all direct and indirect taxes of any nature, duties and cess or any other like payment, including (but not limited to) income tax, security transaction tax, dividend distribution tax, foreign tax credit, equalization levy, value added tax, central sales tax, excise duty, customs duty, minimum alternate tax, advance tax, goods and services tax, tax deducted at source or tax collected at source or any other like payments made by the Transferor Company 1 to any statutory authorities, or other collections made by the Transferor Company 1 and relating to the period up to the Effective Date, shall be deemed to have been on account of, or on behalf of, or paid by, or made by the Transferee Company, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company. In addition, upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all deduction otherwise admissible to Transferor Company 1 including without limitation payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (including, but not limited to, under Section 43B, Section 40 and Section 40A of the IT Act) shall be eligible for deduction to the Transferee Company upon fulfilment of the applicable conditions under the IT Act. In addition, the Transferee Company shall be entitled to claim credit for taxes deducted at source/ taxes collected at source/ paid against tax liabilities / duty liabilities/ minimum alternate tax, advance tax, goods and services tax, value added tax liability and any other credits etc., notwithstanding the certificates/ challans or other documents for payment of such taxes/ duties, as the case may be, are in the name of the Transferor Company 1. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all taxes payable by or refundable to or being the entitlement of the Transferor Company 1, including without limitation all or any refunds or claims shall be treated as the tax liability or refunds/ credits/ claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, entitlements (including, but not limited to, credits in respect of income tax, carry forward tax losses, unabsorbed depreciation, closing balance of CENVAT, value added tax, central sales tax, excise duty, turnover tax, goods and services tax, security transaction tax, minimum alternate tax and duty entitlement credit certificates), holidays, remissions, reductions, as would have been available to the Transferor Company 1, shall upon the Scheme coming into effect on the Effective Date, be available to the Transferee Company, subject to the provisions of Applicable Laws, and losses and unabsorbed depreciation of the Transferor Company 1 be carried forward and set off against tax on future taxable income of the Transferee Company in accordance with the provisions of, and subject to the satisfaction of the conditions set out in, Section 72A of the IT Act. The Transferee Company shall undertake all necessary compliances prescribed under Applicable Laws to, and the Transferor Company 1 shall, prior to the Effective Date, extend its cooperation to the Transferee Company to, effectuate transfer of all credits including goods and services tax of the Transferor Company 1 to the Transferee Company. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall have the right to file and/or revise the financial statements, income tax returns, tax deducted at source certificates and other statutory returns and filings, if required, even if the relevant due dates set out under Applicable Laws may have expired.
- l. Upon this Scheme coming into effect on the Effective Date and with effect from the



Appointed Date, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company 1 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 undertaken by the Transferor Company 1 or the Transferee Company and shall 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.

- 2.2. Upon this Scheme coming into effect on the Effective Date and the consequent amalgamation of Transferor Company 1 into and with the Transferee Company, the secured creditors of the Transferee Company, if any, shall only continue to be entitled to security over such properties and assets forming part of the Transferee Company, as they had existing immediately prior to the amalgamation of the Transferor Company 1 into and with the Transferee Company and the secured creditors of the Transferor Company 1, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of and in the Transferor Company 1, as they had existing immediately prior to the amalgamation of the Transferor Company 1 into and with the Transferee Company.
- 2.3. The Transferee Company and the Transferor Company 1 shall, respectively, take such actions as may be necessary and permissible in order to give formal effect to the provisions of this Clause 2 above, including, without limitation, making appropriate filings with any Person (including the relevant Governmental Authorities), and such Person (including the relevant Governmental Authorities) shall take the same on record, and shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company upon this Scheme coming into effect on the Effective Date in accordance with the terms hereof.
- 2.4. The Transferee Company shall, at any time after this Scheme coming into effect on the Effective Date 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 the Transferor Company 1, including in connection with the transfer of properties of the Transferor Company 1 to the Transferee 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, subject to the provisions of Applicable Laws, provide such consent and shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme coming into effect on the Effective Date. The Transferee Company shall file appropriate applications/ documents and make appropriate filings 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 the Transferor Company 1 and to carry out or perform all such acts, formalities or compliances referred to above on behalf of the Transferor Company 1, *inter alia*, in its capacity as the successor entity of the Transferor Company 1.

## PART C

### 3. CONSIDERATION

- 3.1. The Board of the Transferee Company shall determine the Record Date for the issue and allotment of Equity Shares to the shareholders of the Transferor Company 1 in accordance with the Merger Cooperation Agreement. Upon the Scheme coming into effect on the Effective Date and in consideration of the amalgamation of the Transferor Company 1 with the Transferee Company, the Transferee Company shall, without any further act, instrument or deed and after taking into effect the Share Issuance, Bonus Issuance and sub-division of the share capital of



the Transferee Company in accordance with Section I of the Scheme, issue and allot to each shareholder of the Transferor Company 1 as on the Record Date, 85 (Eighty Five) fully paid-up Equity Shares of INR 1 (Indian Rupees One) each of the Transferee Company for every 100 (One Hundred) fully paid-up Equity Shares of INR 1 (Indian Rupee One) each of the Transferor Company 1.

- 3.2. The entitlement ratio stated in Clause 3.1 of Part C of Section II of this Scheme has been taken on record and approved by the boards of directors of the (a) Transferor Company 1 after taking into consideration the valuation report dated December 21, 2021 provided by Grant Thornton India LLP, a Registered Valuer, and (b) Transferee Company after taking into consideration the valuation report dated December 21, 2021 provided by RBSA Valuation Advisors LLP, a Registered Valuer.
- 3.3. The said Equity Shares in the Transferee Company to be issued to the equity shareholders of the Transferor Company 1 pursuant to this clause shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company, including with respect to dividend, bonus, voting rights and other corporate benefits attached to the Equity Shares of the Transferee Company. The Equity Shares of the Transferee Company issued pursuant to this Clause 3 and in lieu of the locked-in shares of the Transferor Company 1, if any, will be subject to lock-in for the remaining lock-in period of such locked-in shares, in accordance with the SEBI Circular.
- 3.4. If any equity shareholder of the Transferor Company 1 becomes entitled to a fractional Equity Share to be issued by the Transferee Company pursuant to Clause 3.1 of Section II of this Scheme, the Transferee Company shall not issue such fractional Equity Share to such equity shareholder of the Transferor Company 1, but shall consolidate all such fractional entitlements of all equity shareholders of the Transferor Company 1 and the Board of the Transferee Company shall, without any further act, instrument or deed, issue and allot such Equity Shares that represent the consolidated fractional entitlements to a trustee nominated by the Board of the Transferee Company ("**Trustee 1**") and the Trustee 1 shall hold such Equity Shares, with all additions or accretions thereto, in trust for the benefit of the equity shareholders of the Transferor Company 1 who are entitled to the fractional entitlements (and their respective heirs, executors, administrators or successors) for the specific purpose of selling such Equity Shares in the market within a period of 90 (ninety) days from the date of allotment of shares, and on such sale, distribute to the equity shareholders in proportion to their respective fractional entitlements, the net sale proceeds of such Equity Shares (after deduction of applicable taxes and costs incurred and subject to withholding tax, if any). It is clarified that any such distribution shall take place only after the sale of all the Equity Shares of the Transferee Company that were issued and allotted to the Trustee 1 pursuant to this Clause 3.4.
- 3.5. The Equity Shares issued by the Transferee Company in terms of this Clause 3 of Section II of the Scheme shall be issued in dematerialized form and the register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of such Equity Shares by the Transferee Company in terms of this Scheme. The shareholders of the Transferor Company 1 who hold equity shares in the Transferor Company 1 in physical form shall be obligated to provide requisite details relating to his/ her/ its accounts with a depository participant to the Transferee Company prior to the Closing Date to enable the Transferee Company to issue Equity Shares in terms of this Clause 3 of Section II of the Scheme.

However, if no such details have been provided to the Transferee Company by the relevant shareholder(s) holding equity shares in the Transferor Company 1 in physical form prior to the Closing Date, the Transferee Company shall issue the corresponding Equity Shares in dematerialized form to a trustee nominated by the Board of the Transferee Company ("**Trustee**





2”) who shall hold these Equity Shares in trust for the benefit of the relevant shareholder(s) of the Transferor Company 1. The Equity Shares of the Transferee Company held by Trustee 2 for the benefit of the relevant shareholder(s) of the Transferor Company 1 shall be transferred to the relevant shareholder(s) once such shareholder(s) provides the details of his / her / its demat account to Trustee 2, along with such other documents as may be required by Trustee 2.

- 3.6. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company 1, the Board of the Transferee Company shall be empowered in appropriate cases to effectuate and record such a transfer as if such changes in the registered holder were operative as on the Record Date and to issue and allot Equity Shares to the transferee as if the transferee was the shareholder of the Transferor Company 1 on the Record Date.
- 3.7. Upon this Scheme coming into effect on the Effective Date and upon the Equity Shares of the Transferee Company being issued and allotted by it to the equity shareholders of Transferor Company 1, the equity shares of Transferor Company 1, shall be deemed to have been automatically cancelled.
- 3.8. This Scheme is conditional upon the Scheme being approved by the members of the Parties in terms of the Act and approval of the public shareholders of the Transferor Company 1 through e-voting in terms of the SEBI Circular. The Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it. On the approval of the Scheme by the Board and members of each of the Parties pursuant to Sections 230-232 of the Act and other relevant provisions of the Act and rules made thereunder, if applicable, it shall be deemed that the Board and members of each of the Parties have also accorded their consent under Sections 42 and 62(1)(c) of the Act and/ or any other applicable provisions of the Act and rules made thereunder and the relevant provisions of the Articles, as may be applicable, for the aforesaid issuance of the Equity Shares of the Transferee Company to the equity shareholders of the Transferor Company 1, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferee Company under Sections 42 or 62(1)(c) of the Act and/ or any other applicable provisions of the Act and rules made thereunder. Upon this Scheme coming into effect, the Transferee Company shall, if required, file all necessary documents/ intimations as per the provisions of Act and rules made thereunder with RoC Mumbai or any other applicable Governmental Authority to record the amalgamation of Transferor Company 1 with and into the Transferee Company, issuance of the Equity Shares of the Transferee Company to the equity shareholders of the Transferor Company 1 and dissolution of the Transferor Company 1, in the manner set out in this Clause 3 of Section II of the Scheme.

## **PART D**

### **4. ACCOUNTING TREATMENT**

- 4.1. Pursuant to the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company 1 with the Transferee Company in its books of accounts in accordance with the Indian Accounting Standard 103 “Business Combinations” prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India and any other relevant or related requirement under the Act, as applicable on the Effective Date.
- 4.2. As the Transferor Company 1 shall stand dissolved without being wound up upon this Scheme becoming effective as mentioned in Clause 5 of Section II of this Scheme, hence there is no accounting treatment prescribed under this Scheme in the books of accounts of the Transferor Company 1.



**5. DISSOLUTION OF THE TRANSFEROR COMPANY 1**

Upon the Scheme coming into effect, the Transferor Company 1 shall, without any further act, instrument or deed undertaken by the Transferor Company 1 or the Transferee Company, stand dissolved without winding up pursuant to the order of the Tribunal sanctioning the Scheme.



### SECTION III

#### **AMALGAMATION OF THE TRANSFEROR COMPANY 2 WITH AND INTO THE TRANSFEREE COMPANY**

##### **PART A**

##### **WHEREAS:**

- A. Section III of this Scheme provides for the amalgamation of the Transferor Company 2 with and into the Transferee Company and the dissolution without winding up of the Transferor Company 2, pursuant to and under Sections 230 to 232 and other applicable provisions of the Act and rules made thereunder.
- B. The amalgamation of the Transferor Company 2 with and into the Transferee Company, pursuant to and in accordance with this Scheme, shall be in accordance with Section 2(1B) of the IT Act.

##### **1. SHARE CAPITAL**

- 1.1. The share capital of the Transferor Company 2, as on December 22, 2021 is as under:

Share Capital	Amount (INR)
<i>Authorised Share Capital</i>	
5,000,000 (Five Million) Equity Shares of INR. 10/- (Indian Rupees Ten) each	50,000,000
<b>Total</b>	<b>50,000,000</b>
<i>Issued, Subscribed and Paid-up Share Capital</i>	
1,806,640 (One Million Eight Hundred and Six Thousand Six Hundred and Forty) Equity Shares of INR. 10/- (Indian Rupees Ten) each	18,066,400
<b>Total</b>	<b>18,066,400</b>

- 1.2. The shares of the Transferor Company 2 are not listed on any stock exchange.

##### **PART B**

#### **2. AMALGAMATION OF THE TRANSFEROR COMPANY 2 WITH AND INTO THE TRANSFEREE COMPANY**

- 2.1. Subject to the provisions of Section III of the Scheme in relation to the modalities of amalgamation and in accordance with Clause 6 of Section V of this Scheme, upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferor Company 2, together with all its present and future properties, assets, investments, borrowings, approvals, intellectual property rights, insurance covers or claims, records, licenses, rights, benefits, interests, employees, contracts, obligations, proceedings and liabilities, shall amalgamate with the Transferee Company, as a going concern, and all presents and future properties, assets, investments, borrowings, approvals, intellectual property rights,



insurance covers or claims, records, licenses, rights, benefits, interests, employees, contracts, obligations, proceedings and liabilities of the Transferor Company 2 shall stand transferred to and vested in and shall become the property of and an integral part of the Transferee Company subject to the existing charges and encumbrances, if any, (to the extent such charges or encumbrances are outstanding on the Effective Date), by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by either of the Transferor Company 2 or the Transferee Company. Without prejudice to the generality of the above, in particular, the Transferor Company 2 shall stand amalgamated with and into the Transferee Company, in the manner described in sub-paragraphs (a) – (l) below:

- a. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of the Transferor Company 2, if any, 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 Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 2 or the Transferee Company. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed 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, if any, 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. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the title to the immovable properties of the Transferor Company 2, if any, shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the vesting order of the Tribunal sanctioning the Scheme with the appropriate registrar and sub-registrar of assurances shall suffice as record of the Transferee Company's title to such immovable properties pursuant to the Scheme coming into effect on the Effective Date and shall constitute a deemed mutation and substitution thereof. The Transferee Company shall in pursuance of the vesting order of the Tribunal be entitled to the delivery and possession of all documents of title in respect of such immovable property, if any, in this regard. Notwithstanding anything contained in this Scheme, with respect to the immovable properties of the Transferor Company 2 in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Transferee Company, if the Transferee Company so decides, the respective Parties, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined in accordance with the Applicable Laws. The transfer of such immovable properties shall form an integral part of this Scheme.
- b. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all assets of the Transferor Company 2 as 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 without limitation equipment, furniture, fixtures, 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, 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 Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 2 or the 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 the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any and all other movable property (except those specified elsewhere in this Clause) including without limitation investments in shares and any other securities, all sundry debts and receivables, outstanding loans and advances, if any, relating to the Transferor Company 2, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with Governmental Authorities, semi-Governmental Authorities, 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 Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 2 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 the Effective Date and with effect from the Appointed Date, cheques received in the name of the Transferor Company 2, to enable the Transferee Company to receive the amounts thereunder.
- d. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all debts, borrowings, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Transferor Company 2, whether provided for or not in the books of accounts of the Transferor Company 2 or disclosed in the balance sheet of such Transferor Company 2 or not, shall stand transferred to and vested in the Transferee Company, 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, and shall be discharged by, the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 2 or the Transferee Company.
- e. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all incorporeal or Intangible Assets and Inventory of the Transferor Company 2 or granted to the Transferor Company 2, shall stand vested in and transferred to 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 Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 2 or the Transferee Company.
- f. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed 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 2 to which it 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 Tribunal sanctioning the Scheme,



without any further act, instrument or deed undertaken by the Transferor Company 2 or the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company had been a party or beneficiary or obligee 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 2 or to the benefit of which the Transferor Company 2 may be eligible and which are subsisting or have effect immediately before the Effective Date, including without limitation all rights and benefits (including without limitation benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon this Scheme coming into effect on the Effective Date, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, as the case may be, of the Transferee Company, without any further act, instrument or deed undertaken by the Transferor Company 2 or the Transferee Company and shall be appropriately transferred or assigned by the concerned parties/ Governmental Authority in favour of the Transferee Company.

- g. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any and all statutory licenses or other licenses (including the licenses granted to the Transferor Company 2 by any Governmental Authority for the purpose of carrying on its business or in connection therewith), no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, easements, goodwill, entitlements, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Transferor Company 2 or granted to the Transferor Company 2 shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 2 or the Transferee Company, and shall be appropriately transferred or assigned by the concerned parties or Governmental Authorities in favour of the Transferee Company upon amalgamation of the Transferor Company 2 with and into the Transferee Company pursuant to the Scheme, subject to the provisions of Applicable Laws. The benefit of all statutory and regulatory permissions, approvals and consents including without limitation statutory licenses, permissions, approvals or consents required to carry on the operations of the Transferor Company 2 shall vest in and become available to the Transferee Company upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 2 or the Transferee Company.
- h. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall bear the burden and the benefits of any legal or other proceedings (including tax proceedings) initiated by or against the Transferor Company 2. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, if any notice, dispute, suit, appeal, complaint, claim or other proceeding of whatsoever nature by or against the Transferor Company 2, including (but not limited to) 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 2 with and into the Transferee 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 2, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act,



instrument or deed undertaken by the Transferor Company 2 or the Transferee Company.

- i. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all persons who were employed in the Transferor Company 2 immediately before such date shall become employees of the Transferee Company, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 2 or the Transferee Company, on terms and conditions which are overall no less favourable 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 2 who become employees of the Transferee Company by virtue of this Scheme, shall be governed by the terms of employment of the Transferee Company (including in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation), provided that such terms of employment of the Transferee Company are overall no less favourable than those that were applicable to such employees immediately before such amalgamation. In addition, with regard to provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the employees of the Transferor Company 2 who become employees of the Transferee Company by virtue of this Scheme, (x) all contributions made to such funds by the Transferor Company 2 on behalf of such employees shall be deemed to have been made on behalf of the Transferee Company, upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date and shall be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be, and (y) all contributions made by such employees including interests/ investments (which are referable and allocable to the employees transferred), upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, shall be transferred to the Transferee Company, the relevant authorities or the funds (if any) established by the Transferee Company, as the case may be. Where applicable and required, in connection with provident fund, gratuity fund, superannuation fund or any other special fund or obligation created or existing for the benefit of the employees of the Transferor Company 2 who become employees of the Transferee Company by virtue of this Scheme, the Transferee Company shall stand substituted for the Transferor Company 2, by operation of law pursuant to the vesting order of the Tribunal sanctioning the Scheme, without any further act, instrument or deed undertaken by the Transferor Company 2 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. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company 2 in relation to such schemes or funds shall become those of the Transferee Company. In addition, upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee forming part of the Transferor Company 2 shall be continued/ continue to operate against the relevant employee and the Transferee Company shall be entitled to take any relevant action or sanction, without any further act, instrument or deed undertaken by the Transferor Company 2 or the Transferee Company.
- j. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall, for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of Transferor Company 2, take into account the past services of such employees with the



Transferor Company 2.

- k. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all direct and indirect taxes of any nature, duties and cess or any other like payment, including (but not limited to) income tax, security transaction tax, dividend distribution tax, foreign tax credit, equalization levy, value added tax, central sales tax, excise duty, customs duty, minimum alternate tax, advance tax, goods and services tax, tax deducted at source or tax collected at source or any other like payments made by the Transferor Company 2 to any statutory authorities, or other collections made by the Transferor Company 2 and relating to the period up to the Effective Date, shall be deemed to have been on account of, or on behalf of, or paid by, or made by the Transferee Company, without any further act, instrument or deed undertaken by the Transferor Company 2 or the Transferee Company. In addition, upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all deduction otherwise admissible to Transferor Company 2 including without limitation payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (including, but not limited to, under Section 43B, Section 40 and Section 40A of the IT Act) shall be eligible for deduction to the Transferee Company upon fulfilment of the applicable conditions under the IT Act. In addition, the Transferee Company shall be entitled to claim credit for taxes deducted at source/ taxes collected at source/ paid against tax liabilities / duty liabilities/ minimum alternate tax, advance tax, goods and services tax, value added tax liability and any other credits etc., notwithstanding the certificates/ challans or other documents for payment of such taxes/ duties, as the case may be, are in the name of the Transferor Company 2. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all taxes payable by or refundable to or being the entitlement of the Transferor Company 2, including without limitation all or any refunds or claims shall be treated as the tax liability or refunds/ credits/ claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, entitlements (including, but not limited to, credits in respect of income tax, carry forward tax losses, unabsorbed depreciation, closing balance of CENVAT, value added tax, central sales tax, excise duty, turnover tax, goods and services tax, security transaction tax, minimum alternate tax and duty entitlement credit certificates), holidays, remissions, reductions, as would have been available to the Transferor Company 2, shall upon the Scheme coming into effect on the Effective Date, be available to the Transferee Company, subject to the provisions of Applicable Laws, and losses and unabsorbed depreciation of the Transferor Company 2 be carried forward and set off against tax on future taxable income of the Transferee Company in accordance with the provisions of, and subject to the satisfaction of the conditions set out in, Section 72A of the IT Act. The Transferee Company shall undertake all necessary compliances prescribed under Applicable Laws to, and the Transferor Company 2 shall extend its cooperation to the Transferee Company to, effectuate transfer of all credits including goods and services tax of the Transferor Company 2 to the Transferee Company, prior to the Effective Date. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Transferee Company shall have the right to file and/or revise the financial statements, income tax returns, tax deducted at source certificates and other statutory returns and filings, if required, even if the relevant due dates set out under Applicable Laws may have expired.
- l. Upon this Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company 2 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 undertaken by the Transferor Company 2 or the Transferee





Company and shall 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.

- 2.2. Upon this Scheme coming into effect on the Effective Date and the consequent amalgamation of Transferor Company 2 into and with the Transferee Company, the secured creditors of the Transferee Company, if any, shall only continue to be entitled to security over such properties and assets forming part of the Transferee Company, as they had existing immediately prior to the amalgamation of the Transferor Company 2 into and with the Transferee Company and the secured creditors of the Transferor Company 2, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of and in the Transferor Company 2, as they had existing immediately prior to the amalgamation of the Transferor Company 2 into and with the Transferee Company.
- 2.3. The Transferee Company and the Transferor Company 2 shall, respectively, take such actions as may be necessary and permissible in order to give formal effect to the provisions of this Clause 2 above, including, without limitation, making appropriate filings with any Person (including the relevant Governmental Authorities), and such Person (including the relevant Governmental Authorities) shall take the same on record, and shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company upon this Scheme coming into effect on the Effective Date in accordance with the terms hereof.
- 2.4. The Transferee Company shall, at any time after this Scheme coming into effect on the Effective Date 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 the Transferor Company 2, including in connection with the transfer of properties of the Transferor Company 2 to the Transferee 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, subject to the provisions of Applicable Laws, provide such consent and shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Tribunal and upon this Scheme coming into effect on the Effective Date. The Transferee Company shall file appropriate applications/ documents and make appropriate filings 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 the Transferor Company 2 and to carry out or perform all such acts, formalities or compliances referred to above on behalf of the Transferor Company 2, *inter alia*, in its capacity as the successor entity of the Transferor Company 2.

## PART C

### 3. CONSIDERATION

- 3.1. The Board of the Transferee Company shall determine the Record Date for the issue and allotment of Equity Shares to the shareholders of the Transferor Company 2 in accordance with the Merger Cooperation Agreement. Upon the Scheme coming into effect on the Effective Date and in consideration of the amalgamation of the Transferor Company 2 with Transferee Company, the Transferee Company shall, without any further act, instrument or deed and after taking into effect the Share Issuance, Bonus Issuance and sub-division of the share capital of the Transferee Company in accordance with Section I of the Scheme, issue and allot to each shareholder of the Transferor Company 2 whose name is recorded in the register of members as a member of the Transferor Company 2 as on the Record Date, 133 (One Hundred Thirty Three) fully paid-up Equity Shares of INR 1 (Indian Rupees One) each of the Transferee



Company for every 10 (Ten) fully paid-up Equity Shares of INR 10 (Indian Rupees Ten) each of the Transferor Company 2.

- 3.2. The entitlement ratio stated in Clause 3.1 of Part C of Section III of this Scheme has been taken on record and approved by the boards of directors of the Transferor Company 2 and Transferee Company after taking into consideration the valuation report dated December 21, 2021 provided by RBSA Valuation Advisors LLP, a Registered Valuer.
- 3.3. The said Equity Shares in the Transferee Company to be issued to the equity shareholders of the Transferor Company 2 pursuant to this Clause shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company, including with respect to dividend, bonus, voting rights and other corporate benefits attached to the Equity Shares of the Transferee Company.
- 3.4. If any equity shareholder of the Transferor Company 2 becomes entitled to a fractional Equity Share to be issued by the Transferee Company pursuant to Clause 3.1 of Section III of this Scheme, the Transferee Company shall not issue such fractional Equity Share to such equity shareholder of the Transferor Company 2, but shall consolidate all such fractional entitlements of all equity shareholders of the Transferor Company 2 and the Board of the Transferee Company shall, without any further act, instrument or deed, issue and allot such Equity Shares that represent the consolidated fractional entitlements to Trustee 1 and Trustee 1 shall hold such Equity Shares with all additions or accretions thereto in trust for the benefit of the equity shareholders of the Transferor Company 2 who are entitled to the fractional entitlements (and their respective heirs, executors, administrators or successors) for the specific purpose of selling such Equity Shares in the market within a period of 90 (ninety) days from the date of allotment of shares, and on such sale, distribute to the equity shareholders in proportion to their respective fractional entitlements, the net sale proceeds of such Equity Shares (after deduction of applicable taxes and costs incurred and subject to withholding tax, if any). It is clarified that any such distribution shall take place only after the sale of all the Equity Shares of the Transferee Company that were issued and allotted to Trustee 1 pursuant to this Clause 3.4.
- 3.5. The Equity Shares issued by the Transferee Company in terms of this Clause 3 of Section III of the Scheme shall be issued in dematerialized form and the register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of such Equity Shares by the Transferee Company in terms of this Scheme.
- 3.6. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company 2, the Board of the Transferee Company shall be empowered in appropriate cases to effectuate and record such a transfer as if such changes in the registered holder were operative as on the Record Date and to issue and allot Equity Shares to the transferee as if the transferee was the shareholder of the Transferor Company 2 on the Record Date.
- 3.7. Upon this Scheme coming into effect on the Effective Date and upon the Equity Shares of the Transferee Company being issued and allotted by it to the equity shareholders of Transferor Company 2, the equity shares of Transferor Company 2, shall be deemed to have been automatically cancelled.
- 3.8. On the approval of the Scheme by the Board and members of each of the Parties pursuant to Sections 230-232 of the Act and other relevant provisions of the Act and rules made thereunder, if applicable, it shall be deemed that the Board and members of each of the Parties have also accorded their consent under Sections 42 and 62(1)(c) of the Act and/ or any other applicable



provisions of the Act and rules made thereunder and the relevant provisions of the Articles, as may be applicable for the aforesaid issuance of Equity Shares of the Transferee Company to the equity shareholders of the Transferor Company 2, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferee Company under Sections 42 or 62(1)(c) of the Act and/ or any other applicable provisions of the Act and rules made thereunder. Upon this Scheme coming into effect, the Transferee Company shall, if required, file all necessary documents/ intimations as per the provisions of Act and rules made thereunder with RoC Mumbai or any other applicable Governmental Authority to record the amalgamation of Transferor Company 2 with and into the Transferee Company, issuance of Equity Shares of the Transferee Company to the equity shareholders of the Transferor Company 2 and dissolution of the Transferor Company 2, in the manner set out in this Clause 3 of Section III of the Scheme.

#### **PART D**

#### **4. ACCOUNTING TREATMENT**

- 4.1. Pursuant to the Scheme coming into effect, the Transferee Company shall account for the amalgamation of the Transferor Company 2 with the Transferee Company in its books of accounts as per the "Pooling of Interest" method prescribed under Appendix C of the Indian Accounting Standard - 103 – "Business Combinations" (IND AS 103) prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other generally accepted accounting principles in India and any other relevant or related requirement under the Companies Act, as applicable on the Effective Date.
- 4.2. As the Transferor Company 2 shall stand dissolved without being wound up upon this Scheme becoming effective as mentioned in Clause 5 of Section III of this Scheme, hence there is no accounting treatment prescribed under this Scheme in the books of accounts of the Transferor Company 2.

#### **5. DISSOLUTION OF THE TRANSFEROR COMPANY 2**

Upon the Scheme coming into effect, the Transferor Company 2 shall, without any further act, instrument or deed undertaken by the Transferor Company 2 or the Transferee Company, stand dissolved without winding up pursuant to the order of the Tribunal sanctioning the Scheme.



## SECTION IV

### CERTAIN ARRANGEMENTS AMONG THE TRANSFEREE COMPANY, SONY GROUP AND ESSEL GROUP

#### 1. PROMOTERS OF TRANSFEREE COMPANY

On and from the Effective Date, the Sony Group and their respective Affiliates, and the Essel Group and their respective Affiliates, shall be categorized as separate and independent 'promoters' of the Transferee Company, as per the Listing Regulations and other Applicable Laws.

#### 2. AMENDMENT OF ARTICLES OF ASSOCIATION OF TRANSFEREE COMPANY

2.1. Upon the Scheme coming into effect on the Effective Date, and as an integral part of the Scheme, the Articles of the Transferee Company shall stand amended and restated in the form set out in **Schedule B** of this Scheme.

2.2. On the approval of the Scheme by the Board and the members of each of the Parties pursuant to Sections 230-232 of the Act and other relevant provisions of the Act and rules made thereunder, the SEBI Circular and the Listing Regulations, if applicable, it shall be deemed that the Board and the members of each of the Parties have also accorded their consent under Section 14 of the Act and/ or any other applicable provisions of the Act and rules made thereunder, the Listing Regulations and the relevant provisions of the Articles, as may be applicable for the aforesaid amendment of the Articles of the Transferee Company, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferee Company under Section 14 of the Act and/ or any other applicable provisions of the Act and rules made thereunder, or under relevant provisions of the Listing Regulations and the Articles. Upon this Scheme coming into effect, the Transferee Company shall, if required, file all necessary documents/ intimations as per the provisions of Act and rules made thereunder with RoC Mumbai or any other applicable Governmental Authority to record the aforesaid amendment of the Articles of the Transferee Company.

#### 3. MANAGEMENT OF THE COMPANY

3.1 Upon the Scheme coming into effect on the Effective Date, and as an integral part of the Scheme, the ZEEL Director shall be appointed as the managing director and chief executive officer of the Transferee Company for a period of 5 (five) years from the Effective Date subject to and on terms and conditions as agreed between the Transferee Company and the ZEEL Director. A summary of the key terms of the appointment of the ZEEL Director are set out in **Schedule C** of this Scheme.

3.2 On the approval of the Scheme by the Board and the members of each of the Parties pursuant to Sections 230-232 of the Act and other relevant provisions of the Act and rules made thereunder, the SEBI Circular and the Listing Regulations, if applicable, it shall be deemed that the Board and the members of each of the Parties have also accorded their consent under Section 196 of the Act and/ or any other applicable provisions of the Act and rules made thereunder, the Listing Regulations and the relevant provisions of the Articles, as may be applicable for the aforesaid appointment of the ZEEL Director as the managing director and chief executive officer of the Transferee Company for a period of 5 (five) years from the Effective Date, subject to and on the terms as agreed between the Transferee Company and the ZEEL Director, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferee Company under Section 196 of the Act and/ or any other applicable provisions of the Act and rules made thereunder, or under relevant provisions of the Listing Regulations and the Articles. Upon this Scheme coming into effect, the Transferee



Company shall, if required, file all necessary documents/ intimations as per the provisions of Act and rules made thereunder with RoC Mumbai or any other applicable Governmental Authority to record the aforesaid appointment of the ZEEL Director as the managing director and chief executive officer of the Transferee Company.

#### **4. NON COMPETE ARRANGEMENT**

- 4.1. Pursuant to (a) a non-compete agreement dated on or about the date of this Agreement entered into between Essel Mauritius and SPE Mauritius Investments Limited which is effective on and from the Effective Date and (b) a non-compete agreement dated on or about the date of this Agreement entered into amongst, Mr. Subhash Chandra, Mr. Punit Goenka, Mr. Amit Goenka and SPE Mauritius Investments Limited which is effective on and from the Effective Date, the Essel Group have agreed to not compete with the SPE Mauritius. A summary of the key terms of such non-compete agreements are set out in **Schedule D** of this Scheme.
- 4.2. In addition to the requirements under the Act, the non-compete arrangements are conditional upon approval of public shareholders by way of an ordinary resolution under the applicable provisions of the Listing Regulations. On the approval of the Scheme by the Board and the members of each of the Parties pursuant to Sections 230-232 of the Act and other relevant provisions of the Act and rules made thereunder, the SEBI Circular and the Listing Regulations, if applicable, it shall be deemed that the Board and the members of each of the Parties have also accorded their consent under applicable provisions of the Listing Regulations and/ or any other applicable provisions of the Listing Regulations and the relevant provisions of the Articles, as may be applicable for payment of consideration from SPE Mauritius to Essel Mauritius as set out in **Schedule D** of this Scheme ("**Non-Compete Fee**"), and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferee Company under applicable provisions of the Listing Regulations and/ or any other applicable provisions of the Listing Regulations, or under relevant provisions of the Listing Regulations and the Articles.



## SECTION V

### GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

#### 1. APPLICATION TO THE TRIBUNAL

Each of the Parties shall, as required under Applicable Law, make applications/ petitions under Sections 230 to 232 and other applicable provisions of the Act and rules made thereunder to the Tribunal(s) for the sanction of this Scheme and all matters ancillary or incidental thereto.

#### 2. TRANSFER OF THE AUTHORISED SHARE CAPITAL

2.1. As an integral part of the Scheme and upon the Scheme coming into effect on the Effective Date, the authorised share capital of the Transferor Company 1, comprised of 2,000,000,000 (Two Billion) Equity Shares of Re. 1/- (Indian Rupee One) each and 2,100,000,000 (Two Billion and One Hundred Million) Bonus Preference Shares of Rs. 10/- (Indian Rupees Ten) each, shall stand reclassified entirely only as equity share capital, comprised of INR 23,000,000,000 (Indian Rupees Twenty Three Billion only) of equity share capital, divided into 23,000,000,000 (Twenty Three Billion) equity shares of face value of INR 1 (Indian Rupees One) each, and shall stand consolidated and vested in and merged with the authorised share capital of the Transferee Company. As an integral part of the Scheme and upon the Scheme coming into effect on the Effective Date, the authorised share capital of the Transferor Company 2, comprised of 5,000,000 (Five Million) Equity Shares of INR. 10/- (Indian Rupees Ten) each, shall stand consolidated and vested in and merged with the authorised share capital of the Transferee Company. As a consequence, the authorised share capital of the Transferee Company as set out in Clause 1.3 of Section II of the Scheme shall stand enhanced to INR 23,901,000,000 (Indian Rupees Twenty Three Billion Nine Hundred And One Million) divided into 23,901,000,000 (Twenty Three Billion Nine Hundred And One Million) Equity Shares of face value of INR 1 (Indian Rupees One only) each, without any further act, instrument or deed undertaken by the Transferee Company and the liability of the Transferee Company for payment of any additional fees or stamp duty in respect of such increase shall be limited to the difference between the fee or stamp duty payable by the Transferee Company on its increased authorized share capital after the Scheme comes into effect, and the fee or stamp duty paid by the Transferor Company 1 and the Transferor Company 2, if any, on its authorised share capital, from time to time.

2.2. Subsequent to the sub-division of the Equity Shares of the Transferee Company as contemplated in Section I of this Scheme and reclassification and enhancement of the authorised share capital of the Transferee Company as contemplated herein, the authorised share capital clause of the memorandum of association (Clause V) of the Transferee Company shall stand modified and read as follows:

*“The Authorised Share Capital of the Company is INR 23,901,000,000 (Indian Rupees Twenty Three Billion Nine Hundred And One Million) divided into 23,901,000,000 (Twenty Three Billion Nine Hundred And One Million) equity shares of face value of INR 1 (Indian Rupees One only) each.”*

2.3. For the avoidance of doubt, it is clarified that, in case, the authorised share capital of the Transferor Company 1, the Transferor Company 2 and/ or the Transferee Company, as the case may be, undergoes any change, prior to this Scheme coming into effect on the Effective Date, then this Clause 2 of Section V of the Scheme shall automatically stand modified/ adjusted accordingly to take into account the effect of such change.

2.4. On the approval of the Scheme by the Board and the members of each of the Parties pursuant to Sections 230-232 of the Act and other relevant provisions of the Act and rules made



thereunder, the SEBI Circular and the Listing Regulations, if applicable, it shall be deemed that the Board and the members of each of the Parties have also accorded their consent under Sections 13, 61 and 64 of the Act and/ or any other applicable provisions of the Act and rules made thereunder and the relevant provisions of the Listing Regulations and the Articles, as may be applicable for effecting the aforesaid reclassification, amendment and increase in the authorised share capital of the Transferee Company, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferor Company 1, the Transferor Company 2 or the Transferee Company under Sections 13, 61 or 64 of the Act and/ or any other applicable provisions of the Act and rules made thereunder and the relevant provisions of the Listing Regulations and the Articles. Upon this Scheme coming into effect, the Transferee Company shall, if required, file all necessary documents/ intimations as per the provisions of Act and rules made thereunder with RoC Mumbai or any other applicable Governmental Authority in respect of the aforesaid reclassification, amendment and increase in the authorised share capital of the Transferee Company, in the manner set out in this Clause 2 of Section V of the Scheme. Pursuant to Section 232(3)(i) of the Act, the fee(s) paid by the Transferor Company 1 and Transferor Company 2 on their respective authorised share capital shall be set-off against any fee payable by the Transferee Company on its authorised share capital subsequent to the amalgamation.

### **3. CONVERSION OF THE TRANSFEEE COMPANY INTO A PUBLIC COMPANY**

- 3.1. As an integral part of the Scheme and upon the Scheme coming into effect on the Effective Date, the Transferee Company shall stand converted into a 'public company' in terms of the Act and rules made thereunder. As the conversion of the Transferee Company into a 'public company' is an integral part of the Scheme, the consent of the Board and members of the Parties to this Scheme shall be deemed to be their consent for such conversion as required under the Act and rules made thereunder, including in terms of Sections 13 and 18 of the Act and any other applicable provisions of the Act and rules made thereunder, and provisions of the Articles.
- 3.2. The memorandum of association shall be amended (to the extent required) to reflect the conversion contemplated in Clause 3.1 above as required in terms of the Act and rules made thereunder. Upon the Scheme coming into effect on the Effective Date, the Transferee Company's name shall stand changed to remove the word "Private" from its name or be adopted to such other name as may be mutually agreed between the Board of the Transferee Company and the Transferor Company 1, and approved by the relevant jurisdictional Registrar of Companies.
- 3.3. The Articles of the Transferee Company shall be amended and restated to reflect the conversion contemplated in Clause 3.1 above, in accordance with Clause 2 of Section IV of this Scheme.
- 3.4. On the approval of the Scheme by the Board and the members of each of the Parties pursuant to Sections 230-232 of the Act and other relevant provisions of the Act and rules made thereunder, the SEBI Circular and the Listing Regulations, if applicable, it shall be deemed that the Board and the members of each of the Parties have also accorded their consent under Sections 13, 14 and 18 of the Act and/ or any other applicable provisions of the Act and rules made thereunder and the relevant provisions of the Listing Regulations, as may be applicable for effecting the aforesaid conversion of the Transferee Company into a public company, and no further resolution or actions, including compliance with any procedural requirements, shall be required to be undertaken by the Transferee Company under Sections 13, 14 or 18 of the Act and/ or any other applicable provisions of the Act and rules made thereunder and the relevant provisions of the Listing Regulations. Upon this Scheme coming into effect, the Transferee Company shall, if required, file all necessary documents/ intimations and make payment of any necessary fees as per the provisions of Act and rules made thereunder with RoC Mumbai or any other applicable Governmental Authority in respect of the aforesaid conversion of the Transferee Company into a public company, in the manner set out in this Clause 3 of Section



V of the Scheme. The RoC Mumbai will issue a fresh certificate of incorporation to the Transferee Company in accordance with the provisions of the Act and rules made thereunder.

#### 4. LISTING OF EQUITY SHARES

- 4.1. Upon the Scheme coming into effect on the Effective Date, the Equity Shares of the Transferee Company shall be listed and admitted for trading on the Stock Exchanges by virtue of this Scheme and in accordance with the provisions of Applicable Laws (including the SEBI Circular). The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular, and take all steps to get its Equity Shares listed on the Stock Exchanges and obtain the final listing and trading permissions.
- 4.2. The Equity Shares allotted by the Transferee Company pursuant to this Scheme shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern of the Transferee Company between the Record Date and the listing which may affect the status of such permission. Further, the Transferee Company will not issue/ reissue any Equity Shares which are not covered under the Scheme.
- 4.3. Post listing of the Equity Shares of the Transferee Company on the Stock Exchanges, the Transferee Company shall comply with the requirement of maintaining public shareholding within such timelines as may be prescribed by Applicable Law from time to time. Additionally, the percentage of shareholding of the pre-scheme public shareholders of the Transferor Company 1, in the post scheme shareholding pattern of the Transferee Company on a fully diluted basis, shall not be less than 25% (twenty five per cent.) in accordance with the provisions of the SEBI Circular.
- 4.4. Any acquisition of shares, voting rights or control pursuant to the amalgamation of the Transferor Company 1 and Transferor Company 2 with the Transferee Company pursuant to this Scheme does not trigger any obligation to make an open offer, in terms of Regulation 10(1)(d) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Code**"). The Sony Group and the Essel Group shall not be considered to be 'persons acting in concert', in terms of the Takeover Code, for the purposes of the transactions contemplated under this Scheme.

#### 5. CONDITIONALITY AND EFFECTIVENESS OF THE SCHEME

- 5.1. This Scheme shall become effective on the date on which the last of the following conditions are fulfilled in accordance with the terms of the Merger Cooperation Agreement ("**Effective Date**"):
  - (a) Approval of the members:
    - (i) the requisite majorities in number and value of such classes of members as may be directed by the Tribunal or any other competent authority, as may be applicable, approving the Scheme;
    - (ii) the votes cast by the public shareholders of the Transferor Company 1 in favour of the Scheme being more than the number of votes cast by the public shareholders of the Transferor Company 1 against the Scheme; and
    - (iii) the public shareholders of the Transferee Company shall have approved the Scheme by way of an ordinary resolution and all 'interested persons' as understood in terms of the Listing Regulations shall have abstained from voting in the relevant meeting of the members approving the Scheme;





in each case, in compliance with the provisions of the Act, the SEBI Circular and the Listing Regulations that require seeking approval of a Party through e-voting, if applicable.

- (b) The requisite majorities in number and value of such classes of secured and unsecured creditors as may be directed by the Tribunal or any other competent authority, as may be applicable, approving the Scheme.
- (c) The Parties having procured the Approval of the Competition Commission of India, in accordance with the provisions of Applicable Laws, to consummate the Scheme and other transactions contemplated under the Merger Cooperation Agreement, in a form and substance satisfactory to each Party.
- (d) The Scheme being sanctioned by the Tribunal under Sections 230 to 232 and any other applicable provisions of the Act and rules made thereunder, and each of the Parties having filed certified copies of the order of the Tribunal sanctioning this Scheme with RoC Mumbai within the statutory timelines.
- (e) The Parties having procured the Approval(s) from the Ministry of Information and Broadcasting, Government of India, for (i) the appointment of the ZEEL Director as the managing director and the chief executive officer of the Transferee Company; (ii) the appointment of each of the Independent Directors to the Board of the Transferee Company; and (iii) the appointment of each of the Sony Group Director(s), to the Board of the Transferee Company.
- (f) The Parties having made an application to the Ministry of Information and Broadcasting, Government of India for obtaining the approval of the Ministry of Information and Broadcasting, Government of India, in accordance with the provisions of Applicable Laws for the transfer of the licenses obtained by Transferor Company 1 and Transferor Company 2 in relation to the up-linking and down-linking of television channels (as applicable) to the Transferee Company, pursuant to this Scheme.
- (g) The satisfaction (or waiver in writing) of such other conditions as have been mutually agreed between the Parties in writing in the Merger Cooperation Agreement.
- (h) The occurrence of the Closing Date in terms of the Merger Cooperation Agreement.

5.2. Each of the Parties shall file the order of the Tribunal approving the Scheme with RoC Mumbai within a period of 30 (thirty) days of receipt of such order. In case the Scheme does not become effective in terms of Clause 5.1 above, within a period of 30 (thirty) days of receipt of the order of the Tribunal approving the Scheme, each of the Parties shall file an intimation with RoC Mumbai within 30 (thirty) days of the Effective Date.

## 6. SEQUENCING OF ACTIONS

Upon the sanction of this Scheme and upon this Scheme coming into effect on the Effective Date, 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:

*Firstly*, the following actions under Section I of this Scheme shall occur:

- (a) sub-division of the Equity Shares of the Transferee Company in accordance with Section I of this Scheme;



- (b) issuance and allotment of the SPNI Bonus Shares by the Transferee Company to the SPNI Shareholder(s) in accordance with Section I of the Scheme;
- (c) issuance and allotment of the SPNI Subscription Shares by the Transferee Company to the SPNI Shareholder(s) in consideration of the contribution of the SPNI Subscription Amount by the SPNI Shareholder(s) to the Transferee Company, in accordance with Section I of this Scheme;
- (d) issuance and allotment of the Essel Subscription Shares by the Transferee Company to Essel Mauritius and Essel Mauritius SPV, in the proportion set out in **Schedule E**, in consideration of the contribution of the Essel Subscription Amount by Essel Mauritius and Essel Mauritius SPV to the Transferee Company, in the proportion set out in **Schedule E** and in accordance with Section I of this Scheme;

*Subsequently*, the following actions under Sections II, III, IV and V of this Scheme shall occur:

- (e) amalgamation of the Transferor Company 1 into and with the Transferee Company in accordance with Section II of this Scheme;
- (f) amalgamation of the Transferor Company 2 into and with the Transferee Company in accordance with Section III of this Scheme;
- (g) transfer of the authorised share capital of each of the Transferor Company 1 and Transferor Company 2 to the Transferee Company in accordance with Clause 2 of Section V of the Scheme, and consequential increase in the authorised share capital of the Transferee Company;
- (h) issue and allotment of Equity Shares of the Transferee Company by the Transferee Company to the shareholders of the Transferor Company 1 (as of the Record Date) in accordance with Clause 3 of Section II of this Scheme and to the shareholders of the Transferor Company 2 (as of the Record Date) in accordance with Clause 3 of Section III of this Scheme;
- (i) appointment of the ZEEL Director as the managing director and chief executive officer of the Transferee Company in accordance with the terms of this Scheme;
- (j) conversion of the Transferee Company into a 'public company' in accordance with Clause 3 of Section V of the Scheme, and the consequential amendment of the memorandum of association and the Articles of the Transferee Company;
- (k) dissolution of the Transferor Company 1 without winding-up in accordance with Clause 5 of Section II of this Scheme;
- (l) dissolution of the Transferor Company 2 without winding-up in accordance with Clause 5 of Section III of this Scheme; and
- (m) listing of the Equity Shares of the Transferee Company in accordance with Clause 4 of Section V of the Scheme.

## 7. **MODIFICATIONS/ AMENDMENTS TO THE SCHEME**

Each of the Parties will be at liberty to apply to the Tribunal from time to time for necessary directions in matters relating to this Scheme or any terms thereof, in terms of the Act and rules made thereunder.



Subject to the provisions of the SEBI Circular, the Parties may, by mutual consent and acting through their respective board of directors (which shall include any committee constituted by the respective boards), assent to any modifications/ amendments to this Scheme and/ or to any conditions or limitations that the Tribunal or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them.

**8. APPLICATION FOR OPERATIONAL LICENSES BY TRANSFEREE COMPANY**

The Transferee Company shall be entitled, pending the sanction of this Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company 1 and Transferor Company 2.

**9. REMOVAL OF DIFFICULTIES**

The Parties may, by mutual consent and acting through their respective authorised representatives, agree to take all such steps as may be necessary, desirable or proper to resolve all doubts, difficulties or questions, that may arise in relation to the meaning or interpretation of the respective sections of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or order of the Tribunal or any other Governmental Authority or otherwise, howsoever arising out of, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and/ or any matters concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

This Scheme is in compliance with the provisions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income-tax Act, 1961 and applicable rules. If any terms or provisions of this Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act shall prevail and this Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961 and such modification shall not affect other terms or provisions of this Scheme.

**10. WITHDRAWAL OF THE SCHEME**

The Scheme may be withdrawn from the Tribunal by the Parties upon the occurrence of the following events:

- (a) by mutual consent of the Parties, acting through their respective board of directors; or
- (b) upon termination of the Merger Cooperation Agreement.

**11. ENTIRE EFFECT**

Each section of this Scheme is inextricably inter-linked with the other sections and the Scheme shall be given effect only in its entirety in the sequence set out in Clause 6 of Section V of the Scheme.

**12. COSTS, CHARGES AND EXPENSES**

Except as otherwise contemplated in the Merger Cooperation Agreement, each of the Parties 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 carrying out and implementing this Scheme and matters incidental thereto.



13. **REPEAL AND SAVINGS**

The provisions of the Act and rules made thereunder shall not be required to be separately complied with, in relation to acts done by the Transferor Company 1 or the Transferor Company 2 or the Transferee Company as per direction or order of the Tribunal sanctioning this Scheme.



**SCHEDULE A****ESSEL GROUP**

<b>S.No.</b>	<b>Name of the Essel Group Participant</b>	<b>Address</b>
1.	Subhash Chandra	1 <sup>st</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
2.	Sushila Devi	1 <sup>st</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
3.	Punit Goenka	6 & 7 <sup>th</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
4.	Shreyasi Goenka	6 & 7 <sup>th</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
5.	Amit Goenka	4 & 5 <sup>th</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
6.	Navyata Goenka	4 & 5 <sup>th</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
7.	Cyquator Media Services Private Limited	18 <sup>th</sup> Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400013
8.	Essel Corporate LLP	18 <sup>th</sup> Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400013
9.	Sprit Infrapower & Multiventures Private Limited	18 <sup>th</sup> Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400013
10.	Essel Infraprojects Limited	513/A, 5 <sup>th</sup> Floor, Kohinoor City, Kirod Road, Kurla (west), Mumbai 400070
11.	Essel Media Ventures Limited	Suite 308, St James Court, St Denis Street, Port Louis, Mauritius
12.	Essel Holdings Limited	Suite 308, St James Court, St Denis Street, Port Louis, Mauritius
13.	Essel International Limited	Suite 308, St James Court, St Denis Street, Port Louis, Mauritius



**SCHEDULE B**  
**ARTICLES OF ASSOCIATION**

*[appended below]*



UNDER THE COMPANIES ACT, 2013 (18 of 2013)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

[NAME OF THE RESULTANT ENTITY]<sup>1</sup>

(Incorporated under the Companies Act, 1956)

This set of Articles of Association has been adopted as the Articles of Association of [name of resultant entity] (the "**Company**") in substitution for and to the exclusion of the existing articles of association of the Company pursuant to the Scheme of Arrangement (as defined below).

PRELIMINARY

TABLE 'F' EXCLUDED

1. The regulations contained in the Table marked 'F' in Schedule I to the Act (as defined below), shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles (as defined below) or by the said Act (as defined below).
2. The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Act, be such as are contained in these Articles.

PART A

DEFINITIONS AND INTERPRETATION

3. In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

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

"Affiliate" means,

- (i) with respect to any Person that is not a natural Person, any Person Controlled, directly or indirectly, by that Person, or any Person that Controls, directly or indirectly, that Person, or any Person under common Control with that Person, directly or indirectly;
- (ii) with respect to any Person that is a natural Person, (a) any Person Controlled directly or indirectly, by that Person or his/ her Relative(s) or any Trust(s); (b) any trust, of which such Person or his/her Relative or any Person Controlled directly or indirectly, by that Person or his/ her Relatives, is a direct or indirect beneficiary ("**Trust**"); and (c) his/ her Relatives.

"Annual General Meeting" means the annual general meeting of the Company convened and held in accordance with the Act.

<sup>1</sup> To be inserted basis the name approved pursuant to the Scheme of Arrangement.



“*Articles of Association*” or “*Articles*” mean these articles of association of the Company, as may be altered from time to time in accordance with the Act.

“*Board*” or “*Board of Directors*” means the board of directors of the Company in office at applicable times.

“*Buy Back*” shall have the meaning as referred to under Section 68 of the Act.

“*Company*” means [name of the resultant entity], a company incorporated under the laws of India.

“*Company Secretary*” means the company secretary of the Company appointed under the Act.

“*Consultative Matter Discussion*” means the matters set forth in Article 116(b).

“*Consultative Matters*” means the matters set forth in Article 116(i).

“*Controlling*”, “*Controlled by*” or “*Control*” with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, by agreement or otherwise or the power to elect more than one-half of the Directors, partners or other individuals exercising similar authority with respect to such Person.

“*Depository*” means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Act and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

“*Director*” shall mean any director of the Company.

“*Equity Securities*” mean, with respect to a Company, the Equity Shares of such Company and such other instruments, securities, shares, options (whether granted, vested, exercised or not), warrants (whether exercised or not), or arrangements which are convertible into, exchangeable for or exercisable into, Equity Shares of such Company.

“*Equity Shares*” shall mean the issued, subscribed and fully paid-up equity shares of the Company.

“*Essel Group Participants*” means the Persons set out in **Schedule I**.

“*Essel Person*” shall have the meaning assigned to such term in Article 117.

“*Extraordinary General Meeting*” means an extraordinary general meeting of the Company convened and held in accordance with the Act.

“*Financial Year*” means the period commencing on **April 1** of each year and ending on **March 31** of the following calendar year.

“*Fully-Diluted Basis*” means, with respect to any calculation of the number of outstanding Equity Shares of a Person (other than a natural Person), calculated as if: (i) Equity Securities of such Person outstanding on the date of such calculation have been exercised or exchanged for, or converted into, Equity Shares of such Person; and (ii) Equity Shares issuable by such Person pursuant to contractual or other obligations have been issued.





“**General Meeting**” means any duly convened meeting of the shareholders of the Company and any adjournments thereof.

“**Governmental Authority**” means (i) any international, supra-national, national, state, city or local governmental, regulatory or statutory authority; (ii) any commission, organisation, agency, department, ministry, board, bureau or instrumentality of any of the foregoing (and “instrumentality of any of the foregoing” includes any entity owned or controlled by any of such foregoing authorities); (iii) any stock exchange or similar self-regulatory or quasi-governmental agency or private body exercising any regulatory or administrative functions of or relating to the government; (iv) any arbitrator, arbitral body, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction over the Company and (v) any state or other subdivision thereof or any municipality, district or other subdivision thereof.

“**Independent Director**” shall have the meaning assigned to such term in Article 68 (b).

“**Initial Term**” shall have the meaning assigned to such term in Article 70.

“**INR**” or “**Rupees**” or “**Rs.**” means Indian rupees, the lawful currency of India for the time being.

“**Law**” means, to the extent applicable, all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directives of any Governmental Authority or Person acting under the authority of any Governmental Authority.

“**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, modified, replaced or supplemented from time to time and to the extent in force.

“**Managing Director**” shall have the meaning assigned to such term in Article 68 (c).

“**Member**” means the duly registered holder from time to time, of the shares of the Company and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository.

“**Memorandum**” or “**Memorandum of Association**” means the memorandum of association of the Company, as may be altered from time to time.

“**Observer**” shall have the meaning assigned to such term in Article 72 (a).

“**Office**” means the registered office, for the time being, of the Company.

“**Officer**” shall have the meaning assigned thereto by the Act.

“**Ordinary Resolution**” shall have the meaning assigned thereto by the Act.

“**Original Director**” shall have the meaning assigned to such term in Article 76.

“**Person**” means any natural Person, limited or unlimited liability Company, corporation, partnership firm (whether limited or unlimited), proprietorship firm, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as an entity under Law.



“*Register of Members*” means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository.

“*Related Party*” has the meaning ascribed to it in the Act.

“*Relative*” has the meaning ascribed to it in the Act.

“*Restricted Percentage of Shares*” shall have the meaning assigned to such term in Article 117 (a).

“*Restricted Percentage of Voting Rights*” shall have the meaning assigned to such term in Article 117 (a).

“*Scheme of Arrangement*” means the scheme of arrangement under Sections 230 to 232 and other applicable sections of the Act amongst the Company, Zee Entertainment Enterprises Limited, Bangla Entertainment Private Limited and their respective shareholders and creditors.

“*Seal*” means the common seal of the Company for the time being.

“*Share Capital*” means the issued and paid up equity share capital of the Company.

“*Sony Director*” shall have the meaning assigned to such term in Article 68 (a).

“*Special Resolution*” shall have the meaning assigned thereto by the Act.

“*SPNI Parties*” shall have the meaning assigned to such term in Article 110 (a).

“*SPNI Shareholder*” means SPE Mauritius Holdings Limited;

“*Trust*” shall have the meaning assigned to such term in the definition of “Affiliate”.

“*ZEEL Director*” means **Mr. Punit Goenka, a Person resident in India, currently residing at 7th Floor, Vasant Sagar Properties Pvt. Ltd, A Road, Opp Jai Hind College, Churchgate, Mumbai and having permanent account number AAEPG2529E.**

“*ZEEL Director Employment Agreement*” means the employment agreement to be entered into by the ZEEL Director and the Company.

4. Except where the context requires otherwise, these Articles will be interpreted as follows:
- (a) headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles;
  - (b) where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;
  - (c) words importing the singular shall include the plural and vice versa;
  - (d) all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;
  - (e) the expressions “hereof”, “herein” and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;



- (f) the *ejusdem generis* (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, *include* and *including* will be read without limitation;
- (g) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;
- (h) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:
  - (i) that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and
  - (ii) any subordinate legislation or regulation made under the relevant statute or statutory provision.

## **SHARE CAPITAL AND VARIATION OF RIGHTS**

### **5. AUTHORISED SHARE CAPITAL**

The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes, to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of Law for the time being in force.

### **6. KINDS OF SHARE CAPITAL**

The Company may issue the following kinds of shares in accordance with these Articles, the Act and other Laws:

- (a) Equity Share capital:
  - (i) with voting rights; and/or
  - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and
- (b) Preference share capital.

### **7. SHARES AT THE DISPOSAL OF THE DIRECTORS**

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares 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 a General Meeting, give to any Person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board thinks fit. Provided that an option or a right to call for any shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.



## 8. FURTHER ISSUE OF SHARES

- (a) Where at the time in terms of Section 62 of the Act, the Company proposes to increase the subscribed capital by the issue of further shares, either out of the unissued capital or out of the increased share capital then:
- (i) such further shares shall be offered to the Persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion, as near as circumstances admit, to the capital paid-up on those shares at the date;
  - (ii) such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than 30 (thirty) days from the date of the offer and the offer, if not accepted within such time period, will be deemed to have been declined;
  - (iii) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person and the notice referred to in sub-clause (ii) of Article 8(a) shall contain a statement of this right. Provided that, subject to the Act, the Directors may decline to allot any shares to any Person in whose favour any Member may renounce the shares offered to him without assigning any reason; and
  - (iv) after expiry of the time specified in the aforesaid notice, or on receipt of an earlier intimation from the Person to whom such notice is given stating that he declines to accept the shares offered, the Board may, at its sole discretion, dispose them off in such manner and to such Person(s) for the benefit of the Company.
- (b) Notwithstanding anything contained in sub-clause (a), the aforesaid further shares may be offered to any Persons (whether or not those Persons include the Persons referred to in clause (i) of Article 8(a)) in any manner whatsoever, if a Special Resolution to that effect is passed by the Company in a General Meeting.
- (c) Nothing in Article 8(a)(iii) shall be deemed:
- (i) to extend the time within which the offer should be accepted; or
  - (ii) to authorize any other Person to exercise the right of renunciation, on the ground that the Person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (d) Nothing in this Article 8 shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to debentures issued or loans raised by the Company:
- (i) to convert such debentures or loans into shares in the Company; or
  - (ii) to subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise),

provided that the terms of issue of such debentures or the terms of such loans provide for such option to convert and such option has been approved by a special resolution at a General Meeting of the Company.



## 9. POWER TO ALTER SHARE CAPITAL

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

- (a) increase the authorized share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) sub-divide its shares, or any of them, into shares of smaller amount that is fixed by the Memorandum of Association, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) cancel shares which at the date of such General Meeting 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) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the tribunal on an application made in accordance with the Act; and
- (e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

## 10. VARIATION OF SHAREHOLDERS' RIGHTS

- (a) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of Section 48 of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class, as prescribed by the Act.
- (b) To every such separate meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least 2 (two) persons holding at least one-third of the issued shares of the class in question.
- (c) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

## 11. PREFERENCE SHARES

Subject to the provisions of Section 55 of the Act, any preference shares may be issued on the terms that they are to be redeemed and/ or converted on such terms and in such manner as the Company before the issue of the shares may, by Special Resolution, determine.

## 12. REDUCTION OF SHARE CAPITAL

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act:



- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

**13. DEMATERIALISATION OF SECURITIES**

Subject to the provisions of applicable Laws, the Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

**14. BUY BACK OF SHARES**

- (a) Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other Law for the time being in force, the Company may purchase its own shares or other specified securities.
- (b) Except as required by Law, no Person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by Law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

**15. COMMISSION FOR PLACING SHARES, DEBENTURES, ETC.**

The Company may exercise the powers of paying commissions conferred by Section 40(6) of the Act, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by Section 40(6) of the Act and rules made thereunder. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under Section 40(6) of the Act. The commission may be satisfied 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.

**LIEN**

**16. COMPANY'S LIEN ON SHARES / DEBENTURES/ OTHER SECURITIES**

- (a) The Company shall, subject to Law, have a first and paramount lien on: (a) every share (not being a fully paid share) and on the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) all shares (not being fully paid shares) standing registered in the name of any Person, for all monies payable by such Person or his estate to the Company. Such lien shall extend to all dividends or interests as the case may be and bonuses from time to time declared in respect of such shares/ debentures. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.



- (b) The fully paid-up shares shall be free from all lien of the Company and in the case of partly paid-up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

**17. LIEN TO EXTEND TO DIVIDENDS, ETC.**

The Company's lien, if any, on a share shall extend to all dividends and bonuses declared from time to time in respect of such shares.

**18. ENFORCING LIEN BY SALE**

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of 14 (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 to the Person entitled thereto by reason of its death or insolvency or otherwise.

**19. VALIDITY OF SALE**

The Board may authorise any Person to transfer the shares to be sold pursuant to Article 18 and upon such sale, the purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall its title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

**20. APPLICATION OF SALE PROCEEDS**

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. 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.

**21. PROVISIONS AS TO LIEN TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

**CALLS ON SHARES, DEBENTURES AND OTHER SECURITIES**

22. The Board may, from time to time, make calls upon the Members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
23. Each Member of the Company shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on its shares.
24. A call may be revoked or postponed at the discretion of the Board.



25. A call on shares shall be deemed to have been made at the time when the resolution of the Board authorizing the call on shares was passed and may be required to be paid by instalments.
26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
27. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
28. The Board shall be at liberty to waive payment of any such interest wholly or in part.
29. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
30. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
31. The Board—
- (a) may, if it thinks fit, receive from any Member of the Company willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, 12% (twelve per cent.) per annum, as may be agreed upon between the Board and the relevant Member of the Company paying the sum in advance.
32. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

#### FORFEITURE OF SHARES

33. If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
34. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of 14 (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.





35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
36. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
37. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
38. A Person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
39. The liability of such Person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
40. A duly verified declaration in writing that the declarant is a Director, the manager or the Company 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.
41. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the Person to whom the share is sold or disposed of.
42. The transferee shall thereupon be registered as the holder of the share.
43. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
44. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
45. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

## **TRANSFER AND TRANSMISSION OF SHARES**

### **46. INSTRUMENT OF TRANSFER**

- (a) The instrument of transfer of any share shall be 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 registration thereof.
- (b) The Board may decline to recognize any transfer unless-
  - (i) the instrument of transfer is in the form prescribed under the Act or other provisions of Law;



- (ii) the instrument of transfer is accompanied by the certificate of 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
  - (iii) the instrument of transfer is in respect of only one class of shares.
- (c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
  - (d) The Company shall use a common form of transfer in accordance with the Act and rules notified thereunder.
  - (e) Notwithstanding the foregoing, in case of transfer of shares which are held in dematerialized form the aforementioned provisions shall not apply, and the provisions of the Depositories Act, 1996 shall apply.

#### **47. CLOSING REGISTER OF TRANSFERS AND OF MEMBERS**

Subject to compliance with the Act and other Laws, the Board shall be empowered, on giving not less than 7 (seven) days' notice or such period as may be prescribed, to close the transfer books, Register of Members, the register of debenture holders or other similar registers at such time or times, and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in aggregate 45 (forty five) days in each year as it may deem expedient.

#### **48. DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

Subject to the provisions of these Articles and applicable Laws, the Company may with sufficient cause refuse to register the transfer of any securities of the Company, but in such cases, the Directors shall within 1 (one) month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever, except where the Company has a lien on the shares or other Securities.

#### **49. TRANSMISSION OF SHARES**

- (a) On the death of a Member of the Company, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Persons recognized by the Company as having any title to his interest in the shares held by such Member.
- (b) Nothing in Article 49(a) above shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other Persons.
- (c) Any Person becoming entitled to a share in consequence of the death or insolvency of a Member of the Company may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
  - (i) to be registered himself as holder of the share; or



- (ii) to make such transfer of the share as the deceased or insolvent Member could have made.
- (d) The Board shall, in either case, have the same right to decline or suspend registration of the relevant share as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency.
- (e) If the Person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the Person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (f) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member of the Company had not occurred and the notice or transfer were a transfer signed by that Member.
- (g) 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 90 (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.

#### **50. TRANSFER AND TRANSMISSION OF DEBENTURES**

The provisions of these Articles 46 to 49, shall, *mutatis mutandis*, apply to the transfer of or the transmission by Law of the right to any securities including, debentures of the Company.

### **GENERAL MEETINGS**

#### **51. ANNUAL GENERAL MEETINGS**

- (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.
- (b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

#### **52. EXTRAORDINARY GENERAL MEETINGS**

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

#### **53. EXTRAORDINARY MEETINGS ON REQUISITION**

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.



**54. NOTICE FOR GENERAL MEETINGS**

All General Meetings shall be convened by giving not less than clear 21 (twenty one) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings. The Members may participate in General Meetings through such modes as permitted by Laws.

**55. QUORUM FOR GENERAL MEETING**

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. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.

**56. TIME FOR QUORUM AND ADJOURNMENT**

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, if called upon the requisition of Members, shall be cancelled and in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

**57. CHAIRMAN OF GENERAL MEETING**

The chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company.

**58. ELECTION OF CHAIRMAN**

Subject to the provisions of the Act, if there is no such chairman or if at any meeting he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall elect another Director as chairman and if no Director be present or if all the Directors decline to take the chair, then the Members present shall choose a Member to be the chairman.

**59. ADJOURNMENT OF MEETING**

Subject to the provisions of the Act, the chairman of a General Meeting may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

**60. PASSING RESOLUTIONS BY POSTAL BALLOT**

- (a) Notwithstanding any of the provisions of these Articles, the Members of the Company may, in case of resolutions relating to such business as notified under the Act, pass any



resolution by means of a postal ballot instead of transacting the business in the General Meeting of the Company.

- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.

## **VOTE OF MEMBERS**

### **61. VOTING RIGHTS OF MEMBERS**

- (a) Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- (i) on a show of hands, every Member present in person shall have one vote; and
  - (ii) on a poll, the voting rights of the Members shall be in proportion to his share in the paid up Equity Share capital of the Company.
- (b) A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
- (c) A Member shall have the right to demand a poll in accordance with the Act, in which case the business on which a poll has been demanded shall be voted on only by a poll. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- (d) No objection shall be raised to the qualification of any voter except at the meeting or the adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

### **62. VOTING BY JOINT-HOLDERS**

In case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

### **63. VOTING BY MEMBER OF UNSOUND MIND**

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or legal guardian may, on a poll, vote by proxy.

### **64. NO RIGHT TO VOTE UNLESS CALLS ARE PAID**

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid.

### **65. PROXY**

Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.



**66. INSTRUMENT OF PROXY**

- (a) The instrument appointing a proxy and power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority must be deposited at the Office of the Company not less than 48 (forty eight) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- (b) An instrument appointing a proxy shall be in the form as prescribed under Section 105 of the Act.

**67. VALIDITY OF PROXY**

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**DIRECTOR**

**68. NUMBER OF DIRECTORS**

The Board shall comprise of not more than 9 (nine) Directors as follows:

- (a) 5 (five) Directors who have been nominated by the SPNI Shareholder as the nominee directors of the SPNI Shareholder on the Board of the Company ("**Sony Director**");
- (b) 3 (three) independent Directors ("**Independent Directors**"); and
- (c) the managing director of the Company ("**Managing Director**").

The SPNI Shareholder shall identify and recommend candidates for appointment as Independent Directors, based on the criteria for appointment of independent directors, as set out by the nomination and remuneration committee of the Board, for consideration by the nomination and remuneration committee, the Board and Members. Each Director shall be appointed in accordance with the procedure set out in the Act and Listing Regulations.

- 69. Notwithstanding anything to the contrary, unless otherwise agreed to in writing by the SPNI Shareholder, the Board shall at all times comprise of a majority of directors nominated by the SPNI Shareholder.
- 70. The ZEEL Director will act as the Managing Director and chief executive officer of the Company for a period of 5 (five) years on and from the effectiveness of the Scheme of Arrangement ("**Initial Term**"), subject to and in accordance with the terms and conditions of the ZEEL Director Employment Agreement. The re-appointment of the ZEEL Director after the Initial Term shall be reviewed and decided by the nomination and remuneration committee of the Board, the Board and Members of the Company in accordance with applicable Laws. All the key managerial personnel of the Company shall directly report to the ZEEL Director.
- 71. Notwithstanding anything contained in these Articles, in the event that the ZEEL Director ceases to be chief executive officer or Managing Director of the Company, then the Managing



Director and chief executive officer shall be a person who is nominated by the SPNI Shareholder, and whose appointment as Managing Director is approved by the Board and the Members. The ZEEL Director shall be a Member of the Board so long as the ZEEL Director is the chief executive officer and Managing Director of the Company, and in the event the ZEEL Director ceases to be the chief executive officer or Managing Director of the Company for any reason whatsoever, then the ZEEL Director shall cease to be a Member of the Board.

**72. OBSERVER OF THE BOARD**

- (a) Subject to the Essel Group Participants and/or its Affiliates holding at least 1% (one per cent.) of the Share Capital of the Company, the Essel Group Participants shall collectively be entitled to nominate 1 (one) non-voting observer to the Board (“**Observer**”) who shall be entitled to attend meetings of the Board, and shall be entitled to put forth his or her views on any matter that is deliberated by the Board. For the avoidance of doubt, the Observer shall not be entitled to vote on any matter deliberated or considered or voted on by the Board.
- (b) The presence of the Observer shall not be mandatory to conduct any meeting of the Board, and any of the Sony Directors shall have the right, to require the Observer to not participate in and excuse himself/ herself from a meeting of the Board in respect of matters or proceedings (i) involving the Observer, the ZEEL Director, the Essel Group Participants and/ or any of their respective Affiliates or (ii) which ordinarily a Director would be required to recuse himself/herself from, in accordance with the provisions of the Listing Regulations and the Act.
- (c) The Essel Group Participants shall, at any time, be entitled to require the Company to remove the Observer and to require the Company to appoint another Observer instead.

**73. CHAIRMAN OF THE BOARD**

The chairman of the Board shall be one of the Independent Directors, who has been recommended by the SPNI Shareholder as the chairman of the Board and who is mutually acceptable to the SPNI Shareholder and the ZEEL Director (if and for so long as the ZEEL Director is the managing director and chief executive officer of the Company). The Board shall determine the period for which the chairman is to hold office. If no such chairman is mutually acceptable or if at any meeting the chairman is not present within 15 (fifteen) minutes after the time appointed for holding the meeting the Directors present may choose any one of the Independent Directors to be the chairman of the meeting.

**74. SHARE QUALIFICATION NOT NECESSARY**

Any person whether a Member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

**75. ADDITIONAL DIRECTORS**

Subject to the provisions of the Act and the Articles, the Board shall have the power at any time, and from time to time, to appoint one or more Persons as additional Directors. An additional Director so appointed shall hold office up to the date of the next Annual General Meeting of the Company and shall be eligible for appointment by the Company at the meeting pursuant to Section 161(1) of the Act.

**76. ALTERNATE DIRECTORS**

The Board may, upon receiving a request from a Director, appoint an alternate Director to act



for such Director (“**Original Director**”) during his absence from India for a period of not less than 3 (three) months. An alternate Director appointed under this Article shall not hold office for a period longer than permissible to the Original Director in whose place he has been appointed, and shall vacate office if and when the Original Director returns to India. Any provisions in the Act or in these Articles for automatic re-appointment of retiring Director in default of another appointment, shall apply to the Original Director and not to any alternate Director.

**77. REMUNERATION OF DIRECTORS**

- (a) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.
- (b) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be reimbursed in respect of all reasonable business expenses properly incurred by them (a) in connection with attending and returning from meetings of the Board of the Company or any committees thereof or General Meetings of the Company, or (b) in connection with the business of the Company, subject to evidence of the expenditure and the terms of any relevant policy of the Company, from time to time in force.

**78. CONTINUING DIRECTOR MAY ACT**

The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or of summoning a General Meeting of the Company, but for no other purpose.

**79. VACATION OF OFFICE OF DIRECTOR**

- (a) The office of a Director shall be deemed to have been vacated under the circumstances enumerated under the Act. In the event of any vacancy being caused in the office of a Director, such vacancy shall be filled by appointment thereto by the Board of the Company of another Director in accordance with Article 68.
- (b) The SPNI Shareholder shall, at any time, be entitled to require the Company to remove any or all of its Sony Director(s) and to require the Company to appoint another Sony Director(s) instead.

**ROTATION AND RETIREMENT OF DIRECTOR**

- 80.** At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation under the Act, or, if their number is not 3 (three) or a multiple of 3 (three) then the number nearest to one third shall retire from office, and all such Directors will be eligible for re-election. The Directors liable to retire under the Act in every year shall be those who have been longest in office since their last election, but as between Persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

**PROCEEDINGS OF BOARD OF DIRECTORS**

**81. MEETINGS OF THE BOARD**

- (a) The Board of Directors shall meet at least once in every 3 (three) months with a maximum gap of 4 (four) months between 2 (two) meetings of the Board for the





dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least 4 (four) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board.

- (b) Any Director may, or the Chairman may with the consent of any one Director, or the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of at least 7 (seven) days in writing of every meeting of the Board shall be given to every Director and Observer and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice in accordance with applicable Laws to transact urgent business subject to quorum as required under Law being present at such meeting. Notice of every meeting of the Board may also be given by way of electronic mail or any other electronic medium as may be allowed under the Act.
- (c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

No item that is not on the original agenda of a meeting shall be taken up for discussions at the meeting without the consent of the majority of Directors present at such meeting, including at least 1 (one) Sony Director and 1 (one) Independent Director.

- (d) The Company Secretary shall maintain an attendance register of Directors participating in any meeting of the Board, and in the absence of the Company Secretary, the attendance register of Directors shall be maintained by any 1 (one) Sony Director authorised by the Chairman.
- (e) To the extent permissible by Law, (a) the Directors may participate in a meeting of the Board or any committee thereof of which such Director is a member, by way of video conferencing or other audio visual means, and (b) the Observer may participate in a meeting of the Board by way of video conferencing or other audio visual means. The notice of (a) a meeting of the Board must inform the Directors and the Observer regarding the availability of participation through video conferencing or other audio visual means, and (b) a meeting of the committee of the Board must inform the Directors, who are a member of such committee of the Board, regarding the availability of participation through video conferencing or other audio visual means. Any Director participating in a meeting through the use of video conferencing or other audio visual means shall be counted for the purpose of quorum.

## **82. QUESTIONS AT BOARD MEETING HOW DECIDED**

Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman shall not have a second or casting vote.

## **83. QUORUM**

The quorum for every meeting of the Board shall be as prescribed under the Act and the Listing Regulations; provided, however, that the quorum for all meetings of the Board shall require the presence of at least 2 (two) Sony Directors.

## **84. ADJOURNED MEETING**



Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

#### **85. POWERS OF DIRECTORS**

- (a) The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other Law, or by the Memorandum or by these Articles required to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, the provisions of the Act or any other Law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- (b) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.

#### **86. DELEGATION OF POWERS**

- (a) The Board may, subject to the provisions of the Act, delegate any of its powers to (a) directors, officers or employees of the Company; or (b) committees consisting of such members of its body as it thinks fit. The Board shall constitute committees of the Board as required under Law.
- (b) The ZEEL Director shall have the right to become a member of all committees constituted by the Board, other than the audit committee, nomination and remuneration committee and any other committee of the Board where the participation of the ZEEL Director is prohibited by Law.
- (c) Any committee so formed by the Board shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board and Law.

#### **87. ELECTION OF CHAIRMAN OF COMMITTEE**

- (a) A committee may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the chairman is not present within 5 (five) minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the chairman of the committee meeting.
- (b) The quorum of a committee may be fixed by the Board and shall be as per Law.

#### **88. QUESTIONS HOW DETERMINED**

- (a) A committee may meet and adjourn as it thinks proper.
- (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present as the case may be and in case of equality of vote, the chairman shall have a second or casting vote.

#### **89. VALIDITY OF ACTS DONE BY BOARD OR A COMMITTEE**



All acts done by any meeting of the Board, or a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified, be as valid as if such Director or such person has been duly appointed and was qualified to be a Director.

#### **90. RESOLUTION BY CIRCULATION**

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors and the Observer or to all the members of the committee, at their usual address in India and approved by such of the Directors or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

#### **91. BORROWING POWERS**

- (a) Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.
- (b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by Law, if any, within the limits prescribed. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Equity Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Equity Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of shares shall not be issued except with the sanction of the Company in General Meeting by a Special Resolution and subject to the provisions of the Act.

#### **92. CHIEF EXECUTIVE OFFICER, GENERAL COUNSEL, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

Subject to the provisions of the Act and Article 70, a chief executive officer, general counsel, chief compliance officer, Company Secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, general counsel, chief compliance officer, Company Secretary and chief financial officer so appointed may be removed by means of a resolution of the Board. The ZEEL Director may recommend for consideration by the Board, the appointment or removal of any key managerial personnel, other than the chief executive officer, general counsel, chief compliance officer, Company Secretary and chief financial officer.



## **SEAL**

### **93. CUSTODY OF SEAL**

The Board shall provide for the safe custody of the Seal for the Company and they shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof.

### **94. SEAL HOW AFFIXED**

The Directors shall provide a 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 Directors 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 Directors or a committee of the Directors previously given, and in the presence of at least 2 (two) Directors and the Company Secretary or such other person duly authorised by the Directors or a committee of the Directors, who shall sign every instrument to which the Seal is so affixed in its presence.

The Company may exercise the powers conferred by the Act with regard to having an official Seal for use abroad and such powers shall accordingly be vested in the Directors or any other person duly authorized for the purpose.

## **DIVIDEND**

### **95. COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS**

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

### **96. INTERIM DIVIDENDS**

Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

### **97. DIVIDENDS TO BE APPORTIONED**

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

### **98. RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND**

- (a) Where the Company has declared a dividend which has not been paid or claimed within a period of 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 (thirty) day period, transfer the total amount of dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank.
- (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted the relevant Governmental Authority for payment of the money claimed.



- (c) There shall be no forfeiture of unclaimed dividends before the claim becomes barred by Law.
- (d) Any amount paid-up in advance of calls on any shares of the Company may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividends or profits subsequently declared.

**99. RESERVE FUNDS**

- (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.
- (b) The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

**100. DEDUCTION OF ARREARS**

Subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of its share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever whether alone or jointly with any other Person or Persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

**101. RETENTION OF DIVIDENDS**

The Board may retain dividends payable upon shares in respect of which any Person is, under Articles 46 to 50 hereinbefore contained, entitled to become a Member, until such Person shall become a Member in respect of such shares.

**102. RECEIPT OF JOINT HOLDER**

Any one of two or more joint holders of a share may give effective receipt for any dividends, bonuses or other moneys payable in respect of such shares.

**103. DIVIDEND HOW REMITTED**

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such Person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.

**104. DIVIDENDS NOT TO BEAR INTEREST**

No dividends shall bear interest against the Company.

**105. TRANSFER OF SHARES AND DIVIDENDS**



Subject to the provisions of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

### **CAPITALISATION OF PROFITS**

#### **106. CAPITALISATION OF PROFITS**

- (a) The Company in General Meeting, may, on recommendation of the Board resolve:
  - (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
  - (ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
  - (i) paying up any amounts for the time being unpaid on shares held by such Members respectively;
  - (ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid;
  - (iii) partly in the way specified in sub-clause (i) and partly that specified in sub-clause (ii).
- (c) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.
- (d) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

#### **107. POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE**

- (a) Whenever a resolution is passed in accordance with Article 106 above, the Board shall:
  - (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
  - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
  - (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and
  - (ii) to authorize 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 or other securities to which they may be entitled upon such capitalization or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing shares.

- (c) Any agreement made under such authority shall be effective and binding on such Members.

## ACCOUNTS AND INSPECTION

### 108. ACCOUNTS

The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors.

### 109. INSPECTION BY MEMBERS

Save and except as provided in these Articles, no Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by Law or authorised by the Board or by the Company in General Meeting.

### 110. INFORMATION RIGHTS

- (a) The Company acknowledges and accepts that the Company, its subsidiaries and other associate companies (collectively, "SPNI Parties") benefit from the oversight and strategic advice provided by the SPNI Shareholder and/ or its Affiliates and that the SPNI Shareholder and/ or its Affiliates may also require certain information from the SPNI Parties to comply with their respective statutory obligations.
- (b) The Company shall furnish to the SPNI Shareholder and/ or its Affiliates the following information on a need to know basis from time to time, in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the 'Policy on Determination of Legitimate Purpose' formulated by the Company:
- (i) information that may be necessary in connection with any financial or other support that may be required from the SPNI Shareholder and/or its Affiliates;
  - (ii) information that may be required for entering into any transaction with the SPNI Shareholder and/ or its Affiliates including for availing any goods or services from the SPNI Shareholder and/ or its Affiliates or providing any goods or services to the SPNI Shareholder and/ or its Affiliates;
  - (iii) information that may be required by the SPNI Shareholder and/ or its Affiliates (x) for preparation of their respective tax filings, consolidated accounts or financial statements; or (y) to comply with any other regulatory, legal or statutory requirements to which the SPNI Shareholder and/ or its Affiliates is subject;
  - (iv) information that may be required to be shared with the SPNI Shareholder and/ or its Affiliates in connection with any advice or consultation that may be required;



- (v) such other information as may be permitted to be shared by the Company in accordance with the 'Policy on Determination of Legitimate Purpose' formulated by the Company; and
  - (vi) such other information as may be reasonably requested by the SPNI Shareholder and/ or its Affiliates from the Company.
- (c) Subject to applicable Law, the Company agrees to undertake audits either by itself or through any advisor, consultant or other Person engaged by it, as and if required by the SPNI Shareholder and/ or its Affiliates in connection with any regulatory, legal or statutory requirements and provide copies of the report of such audits to the SPNI Shareholder and/ or its Affiliates.

#### **WINDING UP**

**111.** Subject to the applicable provisions of the Act and Law:

- (a) 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 of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

**112. DIRECTOR'S AND OTHERS' RIGHT TO INDEMNITY**

Subject to the provisions of the Act, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in its favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, wilful misconduct or bad faith acts or omissions of such Director.

#### **GENERAL POWER**

- 113.** Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
- 114.** At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Listing Regulations, the provisions of the Listing Regulations





shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations, from time to time.

#### 115. SCHEME OF ARRANGEMENT

- (a) Subject to provisions of these Articles, the Company may enter into any scheme of arrangement which is permitted under Law, including under Sections 230 to 232 of the Act.
- (b) The SPNI Shareholder (and its Affiliates) and the Essel Group Participants (and its Affiliates) shall be categorized as separate and independent 'promoters' of the Company, as per the Listing Regulations and other Laws. The SPNI Shareholder and its Affiliates, and the Essel Group Participants and its Affiliates, shall not be considered to be 'persons acting in concert', in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

#### 116. CONSULTATIVE RIGHTS

- (a) During the time the ZEEL Director is the Managing Director and chief executive officer of the Company and subject to the Essel Group Participants and/or its Affiliates holding at least 1% (one per cent.) of the Share Capital of the Company, the decisions regarding all Consultative Matters shall be taken after consultation with the ZEEL Director.
- (b) The ZEEL Director shall provide his views in respect of the Consultative Matters by way of video conference or electronic mail ("**Consultative Matter Discussion**") within 5 (five) days of receipt by the ZEEL Director of communication/electronic mail from the Company in connection with any Consultative Matters. The communication/email from the Company in connection with any Consultative Matters should explicitly state that such communication/email is in relation to obtaining ZEEL Director's views on the Consultative Matter(s).
- (c) The Consultative Matters Discussion shall take place prior to the first of any meeting of Board or the committees in which such Consultative Matter(s) would be taken up. For the avoidance of doubt, once a Consultative Matter Discussion has occurred with respect to any Consultative Matter, there shall be no requirement to undertake a Consultative Matter Discussion with respect to the same Consultative Matter in any subsequent meeting of the Board or any committee where such Consultative Matter would be taken up.

Provided that in case the Company is required to undertake any Consultative Matter as urgent business, then the Company shall make best efforts to ensure that, prior to such Consultative Matters Discussion being taken up as urgent business, the Consultative Matter Discussion shall take place at a shorter notice, prior to the relevant meeting of the Board or committee where such Consultative Matter would be taken up as urgent business.

- (d) The notice for Consultative Matters Discussion shall set out the agenda supported by a note setting out details of the Consultative Matter(s) along with the relevant documents and information (to the extent available) which would otherwise be provided to the relevant members of the Board and/ or any of committees, as applicable, in which the Consultative Matter(s) would be taken up.
- (e) Such consultative right(s) shall not, in any manner, be regarded as a requirement to obtain the affirmative vote or consent of the Essel Group Participants or the ZEEL Director on such matter(s).



- (f) The Consultative Matter Discussion shall be completed or deemed to be completed within 5 (five) days of receipt of an electronic mail by the ZEEL Director from the Company in connection with any Consultative Matters, irrespective of whether the ZEEL Director provides any views or fails to provide his views on such Consultative Matter, and the obligations of the Company under this Article 116 shall be deemed to have been completed in all respects with respect to such Consultative Matter and there shall not be any further action which the Company shall be required to undertake with respect to such consultation.
- (g) The decision with regard to such Consultative Matters shall ultimately be taken by the Board and/ or a committee of the Board or the Members of the Company and/or such other Person as has been duly authorised to take such decision (as the case may be) in accordance with the Law.
- (h) The outcome or decision on such Consultative Matters need not reflect the ZEEL Director's views on each such Consultative Matter.
- (i) The following matters shall constitute the "**Consultative Matters**":
- (i) any merger, amalgamation, demerger, similar reorganization involving the Company, or divestment of any business unit of the Company;
  - (ii) liquidation or winding-up of the Company;
  - (iii) availing any Indebtedness by the Company in any transaction in excess of INR 2000,00,00,000 (Indian Rupees Two Thousand Crore). For the purposes of this article, "**Indebtedness**" means funds borrowed by the Company and includes bank loans, debentures, money market instruments, public deposits, bank guarantees and any money market instruments which is in the nature of borrowings;
  - (iv) incurring capital expenditure in any transaction in excess of INR 500,00,00,000 (Indian Rupees Five Hundred Crores);
  - (v) amendment of the dividend policy of the Company;
  - (vi) entering into any new transaction with any Related Party, or terminating or altering the terms of any existing transaction with any Related Party, which transaction is of a value which is in excess of INR 100,00,00,000 (Indian Rupees One Hundred Crores), other than entering into, terminating or altering any transactions with ZEEL Director, any of the Essel Group Participants and/ or any of their respective Affiliates;
  - (vii) nomination of any Person as an Independent Director;
  - (viii) material changes to the tax policies, procedures or practices of the Company, unless such changes are required by any applicable Law (including any requirement of any stock exchange) to which the SPNI Shareholder or any of its Affiliates are subject to or are required in accordance with any policies formulated by the SPNI Shareholder or any of its Affiliates; and
  - (ix) appointment of a chief compliance officer, Company Secretary, general counsel or chief financial officer.



## ACQUISITION OF FURTHER EQUITY SECURITIES BY CERTAIN PERSONS

117. Each Essel Group Participant shall not and shall procure that each of its respective Affiliate(s) shall not, directly or indirectly, through their respective Affiliate(s) or nominee(s), on their own account or as agent for or on behalf of any other Person (such Affiliate(s), nominee(s), agent(s) or other Person(s), collectively referred to as "**Essel Persons**"), acquire or attempt to acquire, directly or indirectly, any Equity Security(ies) or voting rights of the Company that would:
- (a) result in the Essel Group Participant(s), the Essel Person(s) and their respective Affiliate(s) individually or collectively: (a) legally or beneficially holding more than 20% (twenty per cent.) of the Share Capital, on a Fully-Diluted Basis ("**Restricted Percentage of Shares**"); or (b) having the entitlement to exercise or direct the exercise of more than 20% (twenty per cent.) of the voting rights in the Company ("**Restricted Percentage of Voting Rights**"). For the purposes of this Article 117 (a), any acquisition of shares or voting rights in any Person that would enable the Essel Group Participant and/ or Essel Person(s) to hold directly or indirectly the Restricted Percentage of Shares or exercise or direct the exercise of the Restricted Percentage of Voting Rights shall also be restricted;
  - (b) result in any one or more of the Essel Group Participant and/ or the Essel Person(s) triggering any obligation to make an open offer in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.

For the avoidance of doubt, and notwithstanding anything contained in these Articles, any acquisition of shares or voting rights by any Essel Group Participant(s) and/ or Essel Person(s) may be undertaken by the relevant Essel Group Participant(s) and/ or Essel Person(s) in accordance with Applicable Law within the above mentioned limits at its sole discretion, and neither the SPNI Shareholder nor the Company nor any of their respective Affiliates shall be required to directly or indirectly co-operate in or facilitate any such acquisition of shares or voting rights by any Essel Group Participant and/ or Essel Person(s).

## MODIFICATION OR ALTERATION TO CERTAIN ARTICLES

118. During the time the ZEEL Director is the Managing Director and chief executive officer of the Company and subject to the Essel Group Participants and/or their respective Affiliates holding at least 1% (one per cent.) of the Share Capital of the Company, any modification of Article 72, 90, 116, 117 and/ or Article 81 (b), 81 (e) (to the extent that Article 81 (b), 81 (e) relates to an Observer) in a manner that adversely affects the Essel Group Participants shall not be permitted without the prior written approval of the ZEEL Director, provided however, till such time the ZEEL Director is the Managing Director and chief executive officer of the Company, any modification to Article 70, 73, 86(b), 92 and 118 in a manner that adversely affects the ZEEL Director, shall not be made without the prior written approval of the ZEEL Director.



**SCHEDULE I**  
**ESSEL GROUP PARTICIPANTS**

<b>S.No.</b>	<b>Name of the Essel Group Participant</b>	<b>Address</b>
1.	Subhash Chandra	1 <sup>st</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
2.	Sushila Devi	1 <sup>st</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
3.	Punit Goenka	6 & 7 <sup>th</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
4.	Shreyasi Goenka	6 & 7 <sup>th</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
5.	Amit Goenka	4 & 5 <sup>th</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
6.	Navyata Goenka	4 & 5 <sup>th</sup> floor, Vasant Sagar Properties Pvt. Ltd. A Road, Opp. Jay Hind College, Churchgate, Mumbai 400020
7.	Cyquator Media Services Private Limited	18 <sup>th</sup> Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400013
8.	Essel Corporate LLP	18 <sup>th</sup> Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400013
9.	Sprit Infrapower & Multiventures Private Limited	18 <sup>th</sup> Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400013
10.	Essel Infraprojects Limited	513/A, 5 <sup>th</sup> Floor, Kohinoor City, Kirod Road, Kurla (west), Mumbai 400070
11.	Essel Media Ventures Limited	Suite 308, St James Court, St Denis Street, Port Louis, Mauritius
12.	Essel Holdings Limited	Suite 308, St James Court, St Denis Street, Port Louis, Mauritius
13.	Essel International Limited	Suite 308, St James Court, St Denis Street, Port Louis, Mauritius



## SCHEDULE C

### KEY TERMS OF APPOINTMENT OF ZEEL DIRECTOR

S. No.	Term	Particulars
1.	Designation	Managing director and chief executive officer
2.	Tenure	5 years from the Effective Date
3.	Base Fixed compensation (Annual)	INR 19,45,40,000 (Indian Rupees Nineteen Crores Forty Five Lakhs and Forty Thousand) which represents annual base compensation of INR 12,01,03,884 (Indian Rupees Twelve Crore One Lakh Three Thousand and Eight Hundred Eighty Four) plus allowances for house rent, personal, and leave travel and PF contributions.
4.	Variable compensation	Performance linked compensation based on performance milestones as may be agreed between the Transferee Company and the ZEEL Director. Necessary approvals of the board of directors and shareholders to be taken, if required under applicable law, upon finalization of the variable compensation.
5.	Benefits, perquisites and other allowances	ZEEL Director shall be entitled to medical allowances and other benefits in accordance with the policies of the Transferee Company and as may be agreed between the Transferee Company and the ZEEL Director.
6.	Termination	<ul style="list-style-type: none"><li>• Each of the Transferee Company and the ZEEL Director shall have the right to terminate the employment arrangement under certain circumstances.</li><li>• The ZEEL Director shall be entitled to severance benefits for any 'termination without cause' in an amount as may be agreed. The ZEEL Director shall not be entitled to severance benefits for any 'termination with cause'.</li></ul>



## SCHEDULE D

### KEY TERMS OF NON-COMPETE ARRANGEMENT

S. No.	Term	Particulars
1.	Restricted Business	<p>The parties to the non-compete agreements have agreed not to undertake the Restricted Business with certain carve outs as agreed in terms of the non-compete agreements.</p> <p>“Restricted Business” means (1) the business of creating, owning, operating, programming, providing, transmitting, distributing and promoting (only in relation to content that is owned or licensed by the Person or any of its Affiliates), linear and non-linear program services, delivered by any means now known (including by way of cable, terrestrial broadcast, direct-to-home satellite, internet and satellite master antenna television) or hereafter devised and whether offered on a free, advertiser-supported, subscription, transactional or other basis (including over the top platforms) to viewers in India or the Indian diaspora globally, and (2) the business of production, exhibition, broadcast, re-broadcast, streaming, transmission or re-transmission or other exploitation of music, sports, gaming and/or non-news audio or visual or audio-visual content, that is in any format or in any language spoken in India (including English) for exploitation of such program services, in countries in which any of the ZEEL Restricted Entities (i.e. Transferor Company 1 and its respective subsidiaries) or SPNI Restricted Entities (i.e. Transferor Company 2, Transferee Company and their respective subsidiaries) conduct their respective businesses as of the Closing Date.</p>
2.	Term	5 years from the Effective Date
3.	Non Compete Fee	<p>USD equivalent of INR 1101,30,91,800 (Indian Rupees Eleven Hundred and One Crore Thirty Lakh Ninety One Thousand and Eight Hundred) payable to Essel Mauritius, which amounts shall be used by Essel Mauritius to subscribe to its portion of the Essel Subscription Shares or paid to Essel Mauritius SPV for Essel Mauritius SPV to subscribe to its portion of the Essel Subscription Shares.</p> <p>The terms of the non-compete arrangements include a possible loan by SPE Mauritius, at its option, to Essel Mauritius and /or Essel SPV, to enable them to subscribe to the Essel Subscription Shares, in certain circumstances.</p>



**SCHEDULE E**

**ESSEL SUBSCRIPTION SHARES**

<b>S.No.</b>	<b>Party</b>	<b>Essel Subscription Shares</b>	<b>Essel Subscription Amount (INR)</b>
1.	Essel Mauritius	22,026,183 (Twenty Two Million And Twenty Six Thousand One Hundred And Eighty Three)	6,607,854,900 (Six Billion Six Hundred And Seven Million Eight Hundred And Fifty Four Thousand And Nine Hundred)
2.	Essel Mauritius SPV	14,684,123 (Fourteen Million Six Hundred And Eighty Four Thousand One Hundred And Twenty Three)	4,405,236,900 (Four Billion Four Hundred And Five Million Two Hundred And Thirty Six Thousand And Nine Hundred)
<b>Total</b>		<b>36,710,306 (Thirty Six Million Seven Hundred And Ten Thousand Three Hundred And Six)</b>	<b>11,013,091,800 (eleven billion and thirteen million and ninety one thousand and eight hundred)</b>



**Certified True Copy**

**For Zee Entertainment Enterprises Limited**

  
**Authorised Signatory**

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