

October 25, 2019

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400001  
Scrip Code: 539141

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1  
G Block, Bandra-Kurla Complex  
Bandra (East)  
Mumbai 400051  
Scrip Code: UFO

**Re: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sirs,

**Subject: Update on the Composite Scheme of Arrangement and Amalgamation amongst UFO Moviez India Limited ("Company"), Qube Cinema Technologies Private Limited, Qube Digital Cinema Private Limited, Moviebuff Private Limited, PJSA Technosoft Private Limited ("PJSA") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").**

We write with reference to our letter dated February 25, 2019 (enclosed hereto) wherein we had informed you that the Company and PJSA have filed an appeal on February 25, 2019 ("**Appeal**") before the Hon'ble National Company Law Appellate Tribunal ("**Hon'ble NCLAT**") challenging the order of the Hon'ble National Company Law Tribunal, Mumbai bench ("**Hon'ble NCLT**") dated January 21, 2019, made available on February 12, 2019 ("**NCLT Order**") dismissing the petition filed jointly by the Company and PJSA before the Hon'ble NCLT for the approval of the Scheme.

We would like to inform you that the Hon'ble NCLAT has, by way of its order dated October 24, 2019 ("**NCLAT Order**"), which was made available on October 25, 2019, allowed the Appeal and has set aside the NCLT Order. Further, the NCLAT Order records that the representative of the Union of India, Ministry of Corporate Affairs, through the Regional Director, Western Region has conceded before the Hon'ble NCLAT that the grounds given for rejection of the Scheme in the NCLT Order were uncalled for and the Hon'ble NCLT was only required to notice all the requirements of Section 230-232 of Companies Act, 2013.

We enclose a copy of the NCLAT Order.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

For UFO Moviez India Limited

*S. S. Chavan*

**Sameer Chavan**  
**Company Secretary**

Enclosed: As above

Date: February 25, 2019

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Mumbai 400051  
Scrip Code: UFO

Dear Sir / Ma'am,

**Re: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations")**

**Sub: Update on the Composite Scheme of Arrangement and Amalgamation amongst UFO Moviez India Limited ("Company"), Qube Cinema Technologies Private Limited, Qube Digital Cinema Private Limited, Moviebuff Private Limited, PJSA Technosoft Private Limited ("PJSA") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme")**

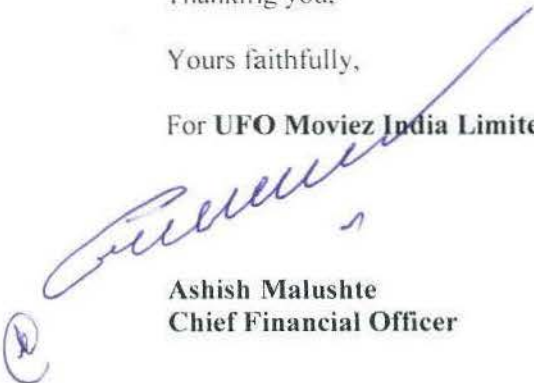
We write with reference to our letter dated January 21, 2019 wherein we had informed you that the Hon'ble National Company Law Tribunal, Mumbai bench ("NCLT") at a hearing held on January 21, 2019, had dismissed the petition filed jointly by the Company and PJSA before the NCLT for the approval of the Scheme. We would like to inform you that the Company and PJSA have filed an appeal on February 25, 2019 before the National Company Law Appellate Tribunal challenging the aforementioned order of the NCLT. We will keep you updated on any further material developments in this regard.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

For **UFO Moviez India Limited**

  
**Ashish Malushte**  
Chief Financial Officer

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI**

**Company Appeal (AT) No. 48 of 2019**

**IN THE MATTER OF:**

**UFO Moviez India Ltd. & Anr.**

**.....Appellants**

**Vs.**

**Union of India,  
Ministry of Corporate Affairs,  
Through the Regional Director, Western Region**

**.....Respondent**

**Present :**

**For Appellant: Mr. Sudipto Sarkar, Senior Advocate with Ms. Sonali Mathur, Ms. Roopali Singh, Mr. Aman Sharma, Ms. Neeraja Balakrishnan, Advocates**

**For Respondents: Mr. Sanjay Shorey, Director, Mr. R.K. Tiwari, JD  
Mr. Balooni, AD for R-1**

**O R D E R**

**24.10.2019** - 'Qube Cinema Technologies Private Limited' ('QCTPL' for short) demerges business synergic with 'UFO Moviez India Ltd.' (Appellant herein), into 'QDCPL' businesses that are non-synergic were left behind in 'QCTPL'. Subsequently, MPL merged into 'QDCPL' resulting dissolution of 'MPL'. The Intellectual property rights of the demerged entity, 'QCTPL' would vest in 'QDCPL' along with the nil value intellectual property rights of 'MPL'. All shareholders in 'QCTPL' and 'MPL' were allotted shares in 'QDCPL' as a consideration for the demerger and merger above.

The 53.2% of the shareholders of 'QCTPL' did not wish to participate in the business that would have been demerged into 'QDCPL' and subsequently UFO. Accordingly, they were provided an opportunity to exit such business of 'QCTPL' as would have been demerged into 'QDCPL' and onwards. Accordingly, 'UFO Moviez' (Appellant herein) and New Investors were to purchase the shares of the Sellers through SPA. The SPA was not part of the scheme, and was only described (i) to ensure accurate representation of the post-merger shareholding structure of UFO; and (ii) disclose the relevant linkage and steps contemplated in relation to the entire transaction.

The effect was that 'QDCPL' merges into UFO; pursuant to which 'QDCPL' dissolves. UFO issues shares to the shareholders of 'QDCPL'.

'IPR' flowing from 'QCTPL' (through 'QDCPL') to 'UFO' is transferred to PJSA by way of a slump sale.

The aforesaid scheme was approved by all the parties to the Scheme, including by the shareholders of 'QCTPL' included the approval of shareholders of 'QCTPL' who would be provided an exit from 'QDCPL' pursuant to the scheme.

The decision relating to merger of 'QCTPL' with 'QDCPL' and 'MPL' by 'National Company Law Tribunal' (Chennai).

The 'UFO Moviez India Ltd.' (Appellant herein) (1<sup>st</sup> Appellant) and 'PJSA' (2<sup>nd</sup> Appellant herein) having its registered office at Mumbai filed a separate

Application for modification and 'Scheme of Merger' u/s 230-232 of the Companies Act, 2013 before 'National Company Law Tribunal', Mumbai.

Before the 'National Company Law Tribunal', Mumbai the Appellant(s) brought to their notice that all the procedures prescribed u/s 230 and 232 of the Companies Act, 2013 were followed. This was noticed by the 'National Company Law Tribunal' Mumbai. However, by impugned order dated 21<sup>st</sup> January, 2019, the 'National Company Law Tribunal' Mumbai rejected the Application of Merger on certain ground which was not required to be noticed for determination of merger u/s 230-232 of the Companies Act, 2013.

The said order is under challenge in these Appeals. Director (Legal & Prosecutor), Ministry of Corporate Affairs appearing on behalf of 'Union of India'. He accepts that the ground given for rejection in the impugned order dated 21<sup>st</sup> January, 2019 were uncalled for and the Tribunal was only required to notice all the requirements of Section 230-232 of Companies Act. The Tribunal was also required to follow the Accounting Standard for the treatment of shareholders. However, it is expected that such Issue was not raised and were not discussed by the 'National Company Law Tribunal'.

Mr. Sudipto Sarkar, Learned Counsel for the Appellant submits that even if the Appellate Tribunal allow 'Merger', it will not be given effect to, because of certain financial changes made during the pendency of the petition of this Appeal. It is to be re-worked and fresh date is to be notified after following the procedure.

In view of the stand taken by the parties and taking into consideration the facts of the case, we set aside the impugned order passed by the 'National Company Law Tribunal' Mumbai Bench.

If the Appellant Companies proceeds further, it should follow the procedure enshrined in Section 230-232 of the Companies Act, 2013 and other provisions as required to be followed under the Law including the permission from the Income Tax Department and requirement, if any, from SEBI and if procedure required to be followed under Accounting Standard so as to ensure that the shareholders do not suffer on 'Merger'.

The appeal is allowed with aforesaid observations. No costs.

[Justice S. J. Mukhopadhaya]  
Chairperson

[Justice Venugopal M.]  
Member (Judicial)

[Justice Jarat Kumar Jain]  
Member (Judicial)

ss/sk