

Date: 21st December, 2016

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Fax: 022 – 2272 3121

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Fax: 022 – 2659 8237 / 38

BSE Scrip Code: 539141

NSE Scrip Code: UFO

Ref.: UFO Moviez India Limited

Dear Sir / Ma'am,

Sub: Notice of court convened meeting of the equity shareholders of UFO Moviez India Limited (CCM) - Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to inform you that by an order made on the 9th December, 2016, in the Company Summons for Direction No. 1005 of 2016, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company be convened and held at Emerald Hall, Kohinoor Continental, Andheri-Kurla Road, JB Nagar, Andheri-East, Mumbai-400059 on Monday the 16th January, 2017 at 11.00 am to consider and, if thought fit, approve with or without modification(s), the proposed Scheme of Arrangement between Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited and the Applicant Company and their respective shareholders (the "Scheme") which *inter-alia* provides for (i) amalgamation of Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited with the Applicant Company; and (ii) the reduction of securities premium of the Applicant Company.

The notice of aforesaid court convened meeting (CCM) is attached herewith.

Further, in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in notice of CCM, from a place other than the venue of the meeting (Remote e-voting).

The remote e-voting period commences on Friday, 13th January, 2017 at 09.00 am and ends on Sunday, 15th January, 2017 at 5.00 pm. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 9th January, 2017 may cast their votes electronically.

The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the venue of CCM. The Company will make necessary arrangements in this regard at the CCM venue. The facility for voting through ballot shall be made available at the meeting. The detailed instructions with respect to voting are given in the enclosed notice of CCM.



UFO MOVIEZ INDIA LIMITED

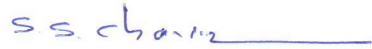
The notice of CCM will also be placed on our website viz. www.ufomoviez.com.

Request you to kindly take the same on your record.

Thanking you,

Yours truly,

For **UFO Moviez India Limited**

A handwritten signature in blue ink, appearing to read 'S. Chavan', followed by a horizontal line.

Sameer Chavan
Company Secretary

Encl: a/a



UFO MOVIEZ INDIA LIMITED

(CIN: L22120MH2004PLC285453)

Registered and Corporate Office: Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol, Andheri (East), Mumbai – 400 093, India

Phone: +91 (22) 4030 5060 Fax: +91 (22) 4030 5110

Email: investors@ufomoviez.com Website: www.ufomoviez.com

NOTICE OF COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF UFO MOVIEZ INDIA LIMITED

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 1005 OF 2016**

In the matter of Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956 read with Notified Section 52 of Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013;

AND

In the matter of Scheme of Arrangement between Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited and UFO Moviez India Limited and their Respective Shareholders

UFO MOVIEZ INDIA LIMITED, a company incorporated on 14th June, 2004 under the provisions of the Companies Act, 1956 and having its registered office Valuable Techno Park, Plot #53/1, Road #7 MIDC, Marol, Andheri (E), Mumbai – 400093, Maharashtra, India. CIN L22120MH2004PLC285453

.....Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF UFO MOVIEZ INDIA LIMITED

To,

The Equity Shareholders of UFO Moviez India Limited (the “**Applicant Company**”)

TAKE NOTICE that by an order made on the 9th December, 2016, in the above Company Summons for Direction, the Hon’ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company be convened and held at Emerald Hall, Kohinoor Continental, Andheri-Kurla Road, JB Nagar, Andheri-East, Mumbai-400059 on Monday the 16th January, 2017 at 11.00 am to consider and, if thought fit, approve with or without modification(s), the proposed Scheme of Arrangement between Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited and the Applicant Company and their respective shareholders (the “**Scheme**”) which inter-alia provides for (i) amalgamation of Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited with the Applicant Company; and (ii) the reduction of securities premium of the Applicant Company.

TAKE FURTHER NOTICE that in pursuance of the said order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company will be convened and held at Emerald Hall, Kohinoor Continental, Andheri-Kurla Road, JB Nagar, Andheri-East, Mumbai-400059 on Monday the 16th January, 2017 at 11.00 am, at which time, date and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed:

“**RESOLVED THAT** pursuant to the provisions of sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956 read with Notified Section 52 of Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013, and enabling provisions in the memorandum and articles of association of the Applicant Company, and subject to the requisite approvals and sanction of the Hon’ble High Court of Judicature at Bombay or such other competent authority as may be applicable (“**High Court**”), the Scheme of Arrangement between Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited and the Applicant Company and their Respective Shareholders placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the board of directors of the Applicant Company, which includes any committee thereof and/or any individual(s) authorized by the Board, be and are hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions if any, (including withdrawal of the Scheme), which may be required or imposed by the High Court while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the board of directors may deem fit and proper.”

The following resolutions are proposed to be passed, with or without modification(s), as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 52 of Companies Act, 2013 and sections 100 to 103 of the Companies Act, 1956 and other applicable provisions, if any, of Companies Act 1956/2013 and subject to the sanction of the Scheme of Arrangement between Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited and the Applicant Company and their Respective Shareholders by the High Court, the consent of the shareholders of the Applicant Company be and is hereby accorded for reduction of the securities premium account of the Applicant Company including the securities premium recorded in the Applicant Company pursuant to the Scheme.

RESOLVED FURTHER THAT the board of directors of the Applicant Company, which includes any committee thereof and/or any individual(s) authorized by the Board, be and are hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution or to accept such modifications, amendments, limitations and/or conditions, if any, (including withdrawal of the Scheme), which may be required or imposed by the High Court while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the resolution, as the board of directors may deem fit and proper.”

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, or your authorized representative, is deposited at the registered office of the Applicant Company at Valuable Techno Park, Plot #53/1, Road #7 MIDC, Marol, Andheri (E), Mumbai-400093, Maharashtra, not later than 48 hours before the commencement of the said meeting.

TAKE FURTHER NOTICE that the Applicant Company has provided the facility of remote e-voting for the said meeting to be held on 16th January, 2017. Accordingly, you may cast your vote electronically through remote e-voting also.

The High Court has appointed Mr. Sanjeev Aga, Chairman of the Applicant Company, to be the Chairman of the said meeting and failing him Mr. Sanjay Gaikwad, Managing Director of the Applicant Company, to be the Chairman of the said meeting and failing him Mr. Kapil Agarwal, Joint Managing Director of the Applicant Company, to be the Chairman of the said meeting and failing him Mr. Ameya Hete, Director of the Applicant Company, to be the Chairman of the said meeting and failing him Ms. Lynn de Souza, Director of the Applicant Company, to be the Chairperson of the said meeting and failing her Mr. S. Madhavan, Director of the Applicant Company, to be the Chairman of the said meeting and failing him Mr. Raaja Kanwar, Director of the Applicant Company, to be the Chairman of the said meeting and failing him Mr. Varun Laul, Director of the Applicant Company, to be the Chairman of the said meeting or any adjournments thereof.

A copy each of the explanatory statement under section 393 of the Companies Act, 1956 read with section 102 of the Companies Act, 2013, the Scheme, Fairness Opinion, Complaints Report, Observation Letters issued by National Stock Exchange of India Limited and BSE Limited, Attendance Slip and Form of Proxy are enclosed herewith.

Place : Mumbai
Date : 9th December, 2016

Mr. Sanjeev Aga
Chairman appointed for the meeting

Registered Office:

Valuable Techno Park, Plot #53/1,
Road #7 MIDC, Marol, Andheri (E),
Mumbai-400093, Maharashtra, India.
CIN L22120MH2004PLC285453
Email: investors@ufomoviez.com
Website: www.ufomoviez.com
Phone: +91 22 40305060
Fax: +91 22 40305110

Notes:

- (1) Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy or by an authorised representative) at the Equity Shareholders' meeting of the Applicant Company. The authorized representative of a body corporate which is a registered equity shareholder of the Applicant Company may attend and vote at the equity shareholder's meeting provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the commencement of the said meeting authorizing such representative to attend and vote at the equity shareholders' meeting.
- (2) A registered equity shareholder of the Applicant Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Applicant Company. The proxy form duly completed should, however, be deposited at the Registered Office of the Applicant Company not less than 48 hours before the commencement of the meeting.

A person can act as proxy on behalf of shareholders not exceeding 50 members holding in aggregate not more than 10% of total share capital of the Applicant Company carrying voting rights, provided that a member holding more than 10% of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

All alterations made in the Form of Proxy should be initialled.

- (3) A form of proxy is enclosed to this Notice. No instrument of proxy shall be valid unless:
 - (i) it is signed by the Member or by his/her attorney duly authorised in writing or, in the case of joint holders, it is signed by the Member first named in the Register of Members or his/her attorney duly authorised in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any Member, who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalised Bank.
 - (ii) it is duly filled, stamped, signed and deposited at the Registered Office of the Applicant Company not less than 48 hours before the time fixed for the meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such power of attorney or the other authority is previously deposited and registered with the Applicant Company/Registrar & Share Transfer Agent.
- (4) Foreign Institutional Investors (FIIs), who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
- (5) Registered members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such holding will be entitled to vote.
- (6) In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Applicant Company has provided the facility to Members to exercise their votes on resolution through Remote e-voting.
- (7) The Applicant Company has appointed Mr. Dharmesh Zaveri of M/s. D. M. Zaveri & Co., Practising Company Secretary, Mumbai as the scrutinizer to conduct remote e-voting and voting through ballot process in fair and transparent manner.
- (8) The notice convening the meeting will be published through advertisement in Free Press Journal, English Newspaper in English language and translation thereof in Navshakti, Marathi Newspaper in Marathi language.
- (9) The results declared along with the Scrutinizer's Report shall be placed on the Applicant Company's website www.ufomoviez.com and on the website of the Karvy Computershare Private Limited (<https://evoting.karvy.com>) within two days of the passing of the resolution at the Court Convened Meeting (CCM) on 16th January, 2017 and communicated to the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Applicant Company are listed.

(10) **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(a) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Applicant Company/Depository Participant(s)]:

- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- (ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- (iii) After entering these details appropriately, click on “LOGIN”.
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the “EVENT” i.e., “Name of the Company”
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- (viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- (ix) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on “Submit”.
- (xi) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email: dmz@dmzaveri.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_Event No.”

(b) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Applicant Company/Depository Participant(s)]:

- (i) E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
- (ii) Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

- (11) In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. B Srinivas (Unit: UFO Moviez India Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 or at info@dmzaveri.com or phone no. 040-6716 2222 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- (12) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (13) For the purpose of dispatch of this Notice, Shareholders of the Applicant Company holding shares either in physical form or in dematerialised form as on 2nd December, 2016, have been considered.

Voting rights of each member shall be reckoned as on the cut-off date which is 9th January, 2017.

The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Applicant Company as on cut off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through ballot paper. Any person who acquires shares of the Applicant Company and becomes the member of the Applicant Company after the cut-off date i.e. 9th January, 2017 shall not be eligible to vote either through e-voting or at Court Convened Meeting.

- (14) The remote e-voting period commences on 13th January, 2017 (09.00 am) and ends on 15th January, 2017 (05.00 pm). During this period, Members of the Applicant Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 9th January, 2017 may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- (15) In case a person has become a Member of the Applicant Company after dispatch of CCM Notice but on or before the cut-off date for e-voting i.e. 9th January, 2017, he/she may obtain the User ID and Password in the manner as mentioned below :
- (i) If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS:
MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL:
MYEPWD <SPACE> 1402345612345678
Example for Physical:
MYEPWD <SPACE> XXXX1234567890
 - (ii) If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID., Client ID and PAN to generate a password.
 - (iii) Member may call Karvy's toll free number 1800-3454-001.
 - (iv) Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

- (16) **Voting at Court Convene Meeting (CCM) Venue:** The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the CCM. The Applicant Company will make necessary arrangements in this regard at the CCM Venue. The facility for voting through ballot shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the CCM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the CCM shall be treated as invalid.

- (17) The resolutions shall be deemed to be passed on the date of the Meeting, i.e. 16th January, 2017 subject to receipt of the requisite number of votes in favour of the resolutions.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 1005 OF 2016

In the matter of Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956 read with Notified Section 52 of Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013;

AND

In the matter of Scheme of Arrangement between Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited and UFO Moviez India Limited and their Respective Shareholders

UFO MOVIEZ INDIA LIMITED, a company incorporated on 14th June, 2004 under the provisions of the Companies Act 1956 and having its registered office Valuable Techno Park, Plot #53/1, Road #7 MIDC, Marol, Andheri (E), Mumbai – 400093, Maharashtra, India. CIN L22120MH2004PLC285453

.....Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 READ WITH SECTION 102 OF THE COMPANIES ACT 2013

1. Pursuant to an order dated 9th December, 2016 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Equity Shareholders of the Applicant Company is being convened and held at Emerald Hall, Kohinoor Continental, Andheri-Kurla Road, JB Nagar, Andheri-East, Mumbai - 400059 on Monday the 16th January, 2017 at 11.00 am for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement between Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited ("**Transferor Companies**") and the Applicant Company and their Respective Shareholders.
2. The Scheme inter-alia provides i) that the entire business and whole of the Undertakings (as defined in the Scheme) of the Transferor Companies shall stand amalgamated with and be transferred and/or deemed to be transferred to and vested in the Applicant Company so as to become the properties and assets and liabilities of the Applicant Company; and ii) for reduction of securities premium of the Applicant Company.
3. A copy of the Scheme of arrangement setting out in detail the terms and conditions, which has been approved by the board of directors of the Applicant Company and the Transferor Companies at their respective board meetings held on 26th July, 2016 is attached to and forms part of this explanatory statement. The definitions contained in the Scheme shall also apply to this statement to the extent required.
4. **Background of the Companies**
 - 4.1 **UFO Moviez India Limited ("Applicant Company")**
 - a) The Applicant Company was originally incorporated as a private limited company under the name of 'Valuable Media Private Limited' under the Companies Act, 1956, and received a certificate of incorporation dated 14th June, 2004 from the Registrar of Companies, Maharashtra at Mumbai. Subsequently, the name of Applicant Company was changed to 'UFO India Private Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Maharashtra at Mumbai on 31st August, 2006. Subsequently, the Applicant Company was converted into a public company and its name was changed to 'UFO India Limited' and a fresh certificate of incorporation consequent upon change of name on conversion to public limited company was issued by the Registrar of Companies, Maharashtra at Mumbai on 10th November, 2006. Further, pursuant to the scheme of amalgamation approved by the Delhi High Court through its order dated 19th May, 2008, UFO Moviez Limited, our erstwhile holding company, was amalgamated with and into UFO India Limited. Subsequently, pursuant to a resolution of the shareholders passed at the extraordinary general meeting held on 5th June, 2008, the name of our Company was changed to UFO Moviez India Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on 12th June, 2008.

- b) The registered office of the Applicant Company was shifted from Office No. 12, 3rd Floor, 312 Surya Kiran Building, 19 Kasturba Gandhi Marg, New Delhi 110 001, India to Valuable Techno Park, Plot #53/1, Road #7 MIDC, Marol, Andheri (E), Mumbai-400093, Maharashtra, India.
- c) The main objects of the Applicant Company are set out in the memorandum of association of the Applicant Company.

The main objects are as under:

1. To own, run and act as distributor for films, serials or other media contents and act as distributor to carry out, organize, participate and conduct the business of digital cinema system using digital media including but not limited to DVD, Fibre optics, Satellite Transmission etc. and store, transmit, retrieve and reply the audio visual and all over India and abroad.
 2. To carry on the business of producers, exhibitors, importers, exporters, dealers, and distributors of cinematographic films, TV documentary & advertisement films, TV programmes, serial, news based programmes, Video and feature films, talkies, (of every description) cinema slides and advertisement shorts in all their branches and to act as distributor to carry out, organize, participate and conduct the business of digital cinema system using digital media including but not limited to DVD, Fibre optics, Satellite Transmission and to store, transmit, retrieve and replay the audio visuals all over India and abroad and to do all things necessary and expedient in connection with the business, such as to erect, construct, purchase, take on lease or hire, otherwise acquire and maintain films production studio, laboratories, cinemas, picture places, halls, concert halls, theatrical companies, entertainment groups, touring talkies and other kinds of buildings necessary on or required to carry on the business of the Company and also to do such business on behalf of or in collaboration with films division, doordarshan, NFDC, Central and State Govt. Bodies, NGOs and other public and private sector companies in India and abroad.
- d) The Applicant Company commenced its business in the year 2004 and has been carrying on the business of providing digital cinema services.
- e) The authorized, issued, subscribed and paid-up share capital of the Applicant Company as on 31st March, 2016 is as follows:

Particulars	Amount (Rs.)
Authorized share capital	
45,000,000 equity shares of Rs. 10 each	450,000,000
1,385,000 preference shares of Rs. 1,000 each	1,385,000,000
Total	1,835,000,000
Issued, subscribed and paid-up share capital	
27,499,376 equity shares of Rs. 10 each fully paid	274,993,760
Total	274,993,760

- f) As on date, issued subscribed and paid up share capital of the Applicant Company is Rs. 276,008,010/- divided into 27,600,801 equity shares of Rs. 10 each fully paid up. The equity shares of the Applicant Company are listed on the National Stock Exchange of India Limited and the BSE Limited.

4.2 Southern Digital Screenz India Private Limited (Transferor Company 1)

- a) Southern Digital Screenz India Private Limited is a private limited company incorporated on 3rd July, 2008 under the provisions of the Companies Act, 1956, at Chennai.
- b) The registered office of the Transferor Company 1 was shifted to its present address on 21st March, 2016. The present registered office of the Applicant Company is situated at Valuable Techno Park, Plot #53/1, Road #7, MIDC, Marol, Andheri (E), Mumbai - 400093, Maharashtra, India.
- c) The main objects of the Transfer or Company 1 are set out in the memorandum of association. The main objects are as under:
 1. To carry on the business of producing and creating stories, serials and any kind of episodes for cable and satellite television networks including sale, supply providing and/or purchase of satellite rights of movies, telefilms, events, programs, sponsorships, to/from any person, firm, or any company engaged in, or about to carry on or engage in any business or transaction or engage in, any business or transaction which the Company is authorized to carry on or engage in or business or transaction capable of being conducted so as to directly/indirectly benefit this company and also to carry on the business of making and distribution of films and acquire exclusive or limited rights to any play, film, story and script, musical songs and lyrics and books, articles or an, technical and producing, purchasing or otherwise acquiring and to exercise, develop

or exploit to turn to account such right for the business of the company and also purchase from any other person, firm or company carrying on similar business which will be beneficial to the Company.

2. To produce, exhibit, exploit, distribute, trade, buy, sell, export, import or otherwise deal in feature films, in all Indian and Foreign Languages, Television serials, advertisement films, short films, and to carry on the business of studio and theatre owners.
- d) The Transferor Company 1 commenced its business in the year 2008 and has been carrying on the business of providing digital cinema services.
- e) The authorized, issued, subscribed and paid-up share capital of the Transferor Company 1 as on 31st March, 2016 is as follows:

Particulars	Amount (Rs.)
Authorized share capital	
8,000,000 equity shares of Rs. 10 each	80,000,000
1,800,000 10% optionally convertible preference shares of Rs. 100 each	180,000,000
Total	260,000,000
Issued, subscribed and paid-up share capital	
4,298,833 equity shares of Rs. 10 each	42,988,330
1,725,000 10% optionally convertible preference shares of Rs. 100 each	172,500,000
Total	215,488,330

- f) As on date, Transferor Company 1 is a wholly owned subsidiary of Applicant Company. As on date, there is no change in the issued, subscribed and paid up share capital of the Transferor Company 1.

4.3 V. N. Films Private Limited (Transferor Company 2)

- a) V N Films Private Limited was incorporated on 22nd February, 2007 at Delhi under Companies Act, 1956 in the name and style of 'Allied Film Services Private Limited' which was subsequently changed to its present name 'V N Films Private Limited' vide fresh certificate of incorporation dated 10th October, 2012.
- b) The Registered office was subsequently changed to Mumbai vide fresh certificate of incorporation dated 10th August, 2016. The present registered office of the Applicant Company is situated at 30, National Storage Building, Tulsi Pipe Road, Mumbai – 400 016, Maharashtra, India.
- c) The main objects of the Transferor Company 2 are set out in the memorandum of association. The main objects are as under:
 1. To carry on the business of exhibitors of films, serials, advertisements, documentary, and other media content through making theatre on hire or own theatres or doing programming of theatres or other related activities and to carry on the business of producers, exhibitors, importers, exporters, dealers and serials, news based programmes, video and feature films, talkies (of every description), cinema slides and advertisement shorts in all their branches and to do all things necessary and expedient in connection with the business, such as to purchase, take on lease or hire and maintain films production studios, laboratories, cinema, picture places, halls, theatrical companies, entertainment groups, touring talkies to carry on the business of the company and also to do such business on behalf of or in collaboration with films division, doordarshan, NFDC, Central and State Government Bodies, NGOs and other Public and Private Sector Companies in India and abroad.
 2. To own, run and act as distributor for films, serials or other media content and to act as distributor to carry out, organize, participate and conduct the business of digital cinema system using digital media including but not limited to DVD, Fibre optics, Satellite Transmission and to store, transmit, retrieve and replay the audio visuals all over India and abroad.
- d) The Transferor Company 2 commenced its business in the year 2007 and has been carrying on the business of providing services with respect to exhibition and distribution of movies.

- e) The authorized, issued, subscribed and paid-up share capital of Transferor Company 2 as on 31st March, 2016 is as under:

Particulars	Amount (Rs.)
Authorized share capital	
50,000 equity shares of Rs. 10 each	500,000
Total	500,000
Issued, subscribed and paid-up share capital	
10,000 equity shares of Rs. 10 each	100,000
Total	100,000

- f) As on date, Transferor Company 2 is a wholly owned subsidiary of Applicant Company. As on date, there is no change in the issued, subscribed and paid up share capital of the Transferor Company 2.

4.4 Edridge Limited (Transferor Company 3)

- a) Edridge Limited was incorporated in Cyprus on 8th April, 2006 as private company with the limited liability under the Cyprus Companies Law, Cap. 113.27. Its registered office is situated at 12 Zinonos Sozou, 1075 Nicosia, Cyprus.
- b) The main objects of the Transferor Company 3 are set out in the memorandum of association. The main objects are as under:
1. To inter alia promote, establish, manage, administer and participate in the business, management and share capital or assets or otherwise of any company or other entity in any part of the world as a holding or subsidiary company or as a shareholder or in any other capacity or manner and to acquire and dispose of shares or deeds or debentures or other investments in any enterprise and activity and in any entity, with or without legal personality.
- c) The Transferor Company 3 commenced its business in the year 2006 and has been carrying on the business to promote, establish, manage, administer and participate in the business, management and share capital or assets or otherwise of any company or other entity in any part of the world as a holding or subsidiary company or as a shareholder or in any other capacity or manner and to acquire and dispose of shares or deeds or debentures or other investments in any enterprise and activity and in any entity, with or without legal personality.
- d) The authorized, issued, subscribed and paid-up share capital of Transferor Company 3 as on 31st March, 2016 is as under:

Particulars	Amount (USD)
Authorized share capital	
1,165,304 ordinary shares of USD 1 each	1,165,304
Total	1,165,304
Issued, subscribed and paid-up share capital	
1,161,972 ordinary shares of USD 1 each fully paid up	1,161,972
Total	1,161,972

- e) As on date, Transferor Company 3 is a wholly owned subsidiary of Applicant Company. As on date, there is no change in the issued, subscribed and paid up share capital of the Transferor Company 3.

4.5 UFO International Limited (Transferor Company 4)

- a) UFO International Limited was incorporated in Cyprus on 11th July, 2006 as a private company with limited liability, under the Cyprus Companies Law, Cap. 113. Subsequently, Transferor Company 4 which was originally incorporated as UFO International Private Limited was converted into a public limited company and a certificate to this effect was issued by the registrar on 29th September, 2006. Its registered office is situated at 12 Zinonos Sozou, 1075 Nicosia, Cyprus.
- b) The main objects of the Transferor Company 4 are set out in the memorandum of association. The main objects are as under:
1. To carry on the business of exploiting the digital cinema technology involving the usage of digital cinema systems comprising of digital cinema equipment installed at theatres for the theatrical exhibition of films and/or other contents, to carry on the business of providing the services of digitalizing films and/or other contents from analogue prints, encoding, encrypting and delivering the same to theatres in digital form, delivering licenses for play outs and generally causing the digitized films and other contents to be played out through the digital cinema systems installed at theatres and to carry on the business of film distribution among other things.

- c) The Transferor Company 4 commenced its business in the year 2006 and has been carrying on the business of exploiting the digital cinema technology involving the usage of digital cinema systems comprising of digital cinema equipment installed at theatres for the theatrical exhibition of films and/or other contents, to carry on the business of providing the services of digitalizing films and/or other contents from analogue prints, encoding, encrypting and delivering the same to theatres in digital form, delivering licenses for play outs and generally causing the digitized films and other contents to be played out through the digital cinema systems installed at theatres and to carry on the business of film distribution among other things.
- d) The authorized, issued, subscribed and paid-up share capital of Transferor Company 4 as on 31st March, 2016 is as under:

Particulars	Amount (USD)
Authorized share capital	
1,100,000 ordinary shares of USD 1 each	1,100,000
Total	1,100,000
Issued, subscribed and paid-up share capital	
1,008,621 ordinary shares of USD 1 each fully paid up	1,008,621
Total	1,008,621

- e) As on date, Transferor Company 4 is a wholly owned subsidiary of Transferor Company 3. As on date, there is no change in the issued, subscribed and paid up share capital of the Transferor Company 4.

5. Rationale for the Scheme of Arrangement

- a) As noted above, the Transferor Companies are wholly owned subsidiaries of the Applicant Company. With a view of consolidating the digital cinema business in India, it is proposed that the Transferor Companies be merged with UFO Moviez India Limited. The digital cinema market in India has strong growth potential and a consolidated business would be better placed to take advantage of emerging opportunities.
- b) Upon the proposed amalgamation, all the assets including the intangible assets ("IPs") and liabilities, if any of the Transferor Companies would get transferred to the Applicant Company.
- c) The amalgamation of Transferor Companies with the Applicant Company will lead to better business synergies, improve overall operational efficiency and achieve cost savings.
- d) Such consolidation will also enable the Applicant Company to carry on and conduct its business more efficiently and advantageously with better economies of scale, more productive and optimum utilization of various resources, strengthen its financial position and ability to raise resources for conducting business and provide a stronger capital base for future expansion and growth in India.
- e) The amalgamation will also result in reduction in multiplicity of legal and regulatory compliances required at present to be carried out and further, such consolidation will also help the Applicant Company enhance its ability to compete effectively in the highly competitive digital cinema market in India.
- f) The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.

In view of the above benefits, the board of directors of the Applicant Company and the Transferor Companies believe that the amalgamation of the Transferor Companies with the Applicant Company with effect from the Appointed Date (as defined in the Scheme) is in the interest of the shareholders, creditors, employees and other stakeholders of the Transferor Companies and the Applicant Company.

6. Salient Features of the scheme are set out as follows:

- i. The Scheme provides for the transfer and vesting of Undertaking of the Transferor Companies (as defined in Clause 1.1.23 of the Scheme) from the Transferor Companies to the Applicant Company on a going concern basis, in accordance with the provisions of Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956 read with Notified Section 52 of Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013.
- ii. "Appointed Date" for the Scheme is: a) for the purpose of this scheme relating to amalgamation of Transferor Company 1 with the Applicant Company means 1st day of July 2016; and b) for the purpose of this scheme relating to amalgamation of Transferor Company 2, Transferor Company 3 and Transferor Company 4 with the Applicant Company means 1st day of April, 2016.
- iii. "Effective Date" means the last of the dates on which all the conditions and matters referred to in Clause 17 of the Scheme have been fulfilled, obtained or waived.

- iv. Upon the scheme being effective, the whole of the undertaking of the Transferor Companies shall, pursuant to the provisions of Section 391 and Section 394 and all other applicable provisions of the Act and other Applicable Law, without any further act or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Applicant Company as a going concern so as to become from the Appointed Date the property, assets, liabilities of the Applicant Company and to vest in the Applicant Company all the rights, title and interest of the Transferor Companies.
- v. The amalgamation shall be accounted for in the books of account of the Transferee Company according to the "Pooling of Interests Method" of accounting as per the Accounting Standard (AS) 14, 'Accounting for Amalgamations' as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies Accounts Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and the other relevant provisions of the Act.
- vi. Upon the Scheme coming into effect and with effect from the Appointed Date, the debit balance in profit and loss account of Transferor Companies and the Amalgamation Reserve account (created pursuant to clause 11.7 of the Scheme) shall be adjusted against Securities Premium of the Applicant Company.
- vii. All such adjustments against the Securities Premium account of the Applicant Company shall be effected in accordance with provisions of Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956 read with Notified Section 52 of Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013. For giving effect to such adjustments, procedure under Notified Section 52 of the Companies Act, 2013 and Section 100 of the Companies Act, 1956 would not have to be followed or complied with separately. For giving effect to the above provisions, the permissions from the shareholders of the Applicant Company shall be deemed to have been received as contemplated by the Act and other related provisions, upon this Scheme being approved by members of the Applicant Company at the court convened meeting or otherwise. The reduction in the Securities Premium Account as aforesaid if any, of the Applicant Company shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital and the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act (including corresponding applicable provisions of the Companies Act, 2013) confirming the reduction of Securities Premium Account. The Applicant Company shall not be required to add "and reduced" as a suffix.
- viii. This Scheme is and shall be conditional upon and subject to:
 - i. The certified copies of the order of Bombay High Court under Section 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai.
 - ii. Approval by the requisite majority of shareholders and creditors (wherever required) of the Transferor Companies and the requisite majority of shareholders and creditors (wherever required) of the Applicant Company, as required under Applicable Laws.
 - iii. Compliance by the Cypriot Transferor Companies of all the necessary and applicable provisions of the laws of Cyprus
- ix. Upon the scheme being effective, the Transferor companies shall stand dissolved without being wound-up.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

7. Board meeting

In accordance with the provisions of SEBI Circular bearing no. CIR/CFD/CMD/16/2015 dated 30th November, 2015 (SEBI Circular), the Board of Directors on the basis of audit committee report approved the scheme vide a resolution passed on 26th July, 2016, the Audit and Risk Management Committee of the Applicant Company ("Audit Committee") vide a resolution passed on 26th July, 2016, recommended the Scheme to the Board of Directors of the Applicant Company inter-alia taking into account;

- (a) Draft Scheme of Arrangement;
- (b) Certificate by V.N. Khandekar & Associates, Chartered Accountants for non applicability of valuation report in terms of SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015.

8. Approvals

- (a) The Applicant Company has received, in terms of Regulation 37 of SEBI Listing Regulations (erstwhile Clause 24(f) of the Listing Agreement), Observation Letter dated 28th September, 2016 from the National Stock Exchange of India Limited and BSE Limited respectively. A copy of the Observation Letters are attached to and forms part of this explanatory statement.
- (b) As required under the SEBI circular, the Applicant Company has filed the Complaints Report with BSE Limited on 23rd August, 2016 and 12th September, 2016 and with the National Stock Exchange of India Limited on 23rd August, 2016 and 12th September, 2016. After filing of the Complaints Report, the Applicant Company has not received any complaint till date. A copy of the Complaints Report is attached to and forms part of this explanatory statement.

9. The pre and post (expected) Scheme equity shareholding pattern of Applicant Company as on March 31, 2016:

Pre Scheme Equity Capital:

Sr No	Category of shareholder	Total no. of shares	Percentage holding
(A)	Promoter & Promoter Group		
1.	Sanjay Shankar Gaikwad	263,797	0.96
2.	Raaja S Kanwar	200,369	0.73
3.	Uday Shankar Gaikwad	100	0.00
4.	Ameya Hete	217,797	0.79
5.	Advent Fiscal Private Limited	737,182	2.68
6.	Nifty Portfolio Services Private Limited	542,136	1.97
7.	Apollo International Limited	2,266,417	8.24
8.	Valuable Technologies Limited	2,243,657	8.16
9.	Valuable Media Limited	1,494,265	5.43
	Total Promoter & Promoter Group (A)	7,965,720	28.97
(B)	Public		
1.	Institutions		
a.	Mutual Funds	4,268,345	15.52
	- SBI Magnum Global Fund	2,407,206	8.75
	- Reliance Capital Trustee Co Ltd A/C Reliance Media and Entertainment Fund	1,861,139	6.77
b.	Venture Capital Funds	0	0
c.	Alternate Investments Funds	0	0
d.	Foreign Venture Capital Investors	5,251,608	19.10
	- P5 Asia Holding Investments (Mauritius) Limited	5,251,608	19.10
e.	Foreign Portfolio Investors	1,889,267	6.87
	- Amundi Funds Equity India	286,000	1.04
	- The Wellington Trust Company National Association	450,384	1.64
f.	Financial Institutions/ Banks	3,574	0.01
g.	Foreign Corporates Body	2,978,220	10.83
	- Excelway International Limited	313,341	1.14
	- 3i Research (Mauritius) Limited	2,664,879	9.69
2.	Non-Institutions		
a.	Individual share capital upto Rs. 2 Lacs	1,620,864	5.89
b.	Individual share capital in excess of Rs. 2 Lacs	1,694,337	6.16
	- Lata Bhansali	282,406	1.03
	- Kapil Kumar Agarwal	372,694	1.36
c.	Bodies Corporate	1,677,176	6.10
	- Max Life Insurance Company Limited A/C-ULIF00225/06/04 LIFEBALANC104- BALANCED FUND	758,882	2.76
d.	Clearing Members	121,352	0.44
e.	Foreign Individuals or NRI	27,680	0.10
f.	Trusts	1,233	0.00
	Total Public Shareholding (B)	19,533,656	71.03
	Total (A+B)	27,499,376	100.00

Post Scheme Equity Capital:

The shareholding pattern of the Applicant Company will not undergo any change since no shares would be issued by the Applicant Company pursuant to the Scheme of Arrangement becoming effective.

10. The pre Scheme equity shareholding pattern of Transferor Company 1 as on 30th June, 2016 is as under:

Equity Capital:

Sr. No.	Name of Equity Shareholders	No. of equity shares	Percentage of total no. of equity shares
1	UFO Moviez India Limited	4,293,833	99.88
2	Sanjay Gaikwad (as nominee shareholder of Applicant Company)	5,000	0.12
	Total	4,298,833	100

Preference Capital:

Sr. No.	Name of Preference Shareholders	No. of preference shares	Percentage of total no. of preference shares
1	UFO Moviez India Limited	1,725,000	100
	Total	1,725,000	100

11. The pre Scheme equity shareholding pattern of Transferor Company 2 as on 31st March, 2016 is as under:

Equity Capital:

Sr. No.	Name of Equity Shareholders	No. of equity shares	Percentage of total no. of equity shares
1	Pramendra Tomar (as nominee shareholder of Applicant Company)	2	0.02
2	Pradeep Chugh (as nominee shareholder of Applicant Company)	2	0.02
3	Rakesh Kumar Gupta (as nominee shareholder of Applicant Company)	2	0.02
4	Krishan Gopal Gupta (as nominee shareholder of Applicant Company)	2	0.02
5	Siddharth Dasgupta (as nominee shareholder of Applicant Company)	1	0.01
6	Shiv Kumar (as nominee shareholder of Applicant Company)	1	0.01
7	UFO Moviez India Limited	9,990	99.90
	Total	10,000	100

12. The pre Scheme equity shareholding pattern of Transferor Company 3 as on 31st March, 2016 is as under:

Equity Capital:

Sr. No.	Name of Equity Shareholders	No. of equity shares	Percentage of total no. of equity shares
1	UFO Moviez India Limited	1,161,972	100
	Total	1,161,972	100

13. The pre Scheme equity shareholding pattern of Transferor Company 4 as on 31st March, 2016 is as under:

Equity Capital:

Sr. No.	Name of Equity Shareholders	No. of equity shares	Percentage of total no. of equity shares
1	Edridge Limited	1,008,621	100
	Total	1,008,621	100

Since the Transferor Companies would not be in existence post the scheme of arrangement, there would be no post scheme shareholding pattern of the Transferor Companies.

14. The details of the Present Directors and Key Managerial Personnel (KMP) of the Applicant Company and their respective shareholding as on date in Transferor Company 1 and Applicant Company are as follows:

Sr. No.	Name	Shares held in Transferor Company 1	Shares held in Applicant Company
	Directors		
1	Mr. Sanjeev Aga	Nil	Nil
2	Mr. Sanjay Gaikwad	5,000 (as nominee shareholder of Applicant Company)	263,797
3	Mr. Kapil Agarwal	Nil	372,694
4	Mr. Raaja Kanwar	Nil	200,369
5	Mr. Ameya Hete	Nil	217,797
6	Mr. Biswajit Subramanian	Nil	Nil
7	Mr. Varun Laul	Nil	Nil
8	Mr. Subramanian Madhavan	Nil	500
9	Ms. Lynn de Souza	Nil	Nil

Sr. No.	Name	Shares held in Transferor Company 1	Shares held in Applicant Company
	KMP		
1	Mr. Rajesh Mishra	Nil	28,649
2	Mr. Ashish Malushte	Nil	18,424
3	Mr. Sameer Chavan	Nil	Nil

15. Present Directors and Key Managerial Personnel of Applicant Company do not hold any shares in Transferor Company 2, Transferor Company 3 and Transferor Company 4.
16. Present Directors and Key Managerial Personnel of Transferor Companies do not hold any shares in Transferor Companies.
17. The details of the Present Directors and Key Managerial Personnel (KMP) of Transferor Company 1 and their respective shareholdings as on date in Applicant Company are as follows:

Sr. No.	Name	Shares held in Applicant Company
	Directors	
1	Mr. Rajesh Mishra	28,649
2	Mr. Sushil Agrawal	14,800
3	Mr. Ashish Malushte	18,424
4	Ms. Lynn de Souza	Nil
5	Mr. Subramanian Madhavan	Nil
	KMP	
1	Mr. Rajesh Mishra	28,649
2	Ms. Lavanya Nandakumar	1,500

18. The details of the Present Directors and Key Managerial Personnel (KMP) of Transferor Company 2 and their respective shareholdings as on date in Applicant Company are as follows:

Sr. No.	Name	Shares held in Applicant Company
	Directors	
1	Mr. Ashish Malushte	18,424
2	Mr. Ulhas Potnis	9,948
3	Mr. Vishnu Patel	21,950
4	Mr. Pankaj Madhani	200
	KMP	
	N.A.	

19. The details of the Present Directors and Key Managerial Personnel (KMP) of Transferor Company 3 and their respective shareholdings as on date in Applicant Company are as follows:

Sr. No.	Name	Shares held in Applicant Company
	Directors	
1	Mr. Raaja Kanwar	200,369
2	Mr. Sanjay Gaikwad	263,797
3	Mr. Kapil Agarwal	372,694
4	Mr. Varun Laul	Nil
	KMP	
	N.A.	

20. The details of the Present Directors and Key Managerial Personnel (KMP) of Transferor Company 4 and their respective shareholdings as on date in Applicant Company are as follows:

Sr. No.	Name	Shares held in Applicant Company
	Directors	
1	Mr. Raaja Kanwar	200,369
2	Mr. Sanjay Gaikwad	263,797
3	Mr. Kapil Agarwal	372,694
4	Mr. Varun Laul	Nil
5	Ms. Lora Stylianou	Nil
	KMP	
	N.A.	

21. The directors of the Applicant Company and Transferor Companies and relatives of the aforementioned persons may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding directly in the respective companies that are the subject of the Scheme, or to the extent the said persons are interested or involved in any of the companies that are the subject of the Scheme or any entity that directly holds shares in any of the companies.
22. The financial position of the Applicant Company will not be adversely affected by the Scheme of Arrangement. Further, the rights and interests of the creditors of the Applicant Company will not be prejudicially affected by the Scheme of Arrangement as the Applicant Company on the effectiveness of the Scheme of Arrangement, would be able to meet its liabilities as they arise in the ordinary course of business. Further, the rights and interests of the shareholders of the Applicant Company will not be prejudicially affected by the Scheme of Arrangement.
23. No investigation proceedings have been instituted or are pending in relation to the Applicant Company under Sections 235 to 251 or any other provisions of the Companies Act, 1956 as well as Sections 210 to 221 of the Companies Act, 2013.
24. To the knowledge of the Applicant Company, no winding-up proceedings have been filed or are pending against the Applicant Company under the Act.
25. In the event that the Scheme of Arrangement is withdrawn in accordance with its terms, the Scheme of Arrangement shall stand revoked, cancelled and be of no effect and null and void.
26. Inspection of all documents referred to in this Explanatory Statement including the following documents may be taken by the equity shareholders of the Applicant Company at the Registered Office of the Applicant Company between 11:00 am and 01:00 pm up to 15th January, 2017 on all working days (except Saturdays, Sundays and public holidays):
- Copy of the Order dated 9th December, 2016 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 1005 of 2016 directing the convening of the meeting of the equity shareholders of the Applicant Company.
 - Scheme of Arrangement.
 - Memorandum and Articles of Association of the Applicant Company and the Transferor Companies.
 - The Audited Financial Statements of the Applicant Company for financial year ended 31st March, 2016.
 - The Audited Financial Statements of the Transferor Company 1 for financial year ended 31st March 2016.
 - The Audited Financial Statements of the Transferor Company 2 for financial year ended 31st March, 2016.
 - The Audited Financial Statements of the Transferor Company 3 for financial year ended 31st March, 2016.
 - The Audited Financial Statements of the Transferor Company 4 for financial year ended 31st March, 2016.
 - Copies of the Observation Letters dated 28th September, 2016 received from the National Stock Exchange of India Limited and BSE Limited.
 - Copy of the Fairness Opinion dated 10th August, 2016 from RBSA Capital Advisors LLP.
 - Copy of the Audit Committee Report dated 26th July, 2016.
 - Complaints Report submitted by the Applicant Company with the National Stock Exchange of India Limited on 12th September, 2016 and 23rd August, 2016 and BSE Limited on 12th September, 2016 and 23rd August, 2016.
 - Copy of the Valuation report dated 26th July, 2016 from V.N. Khandekar & Associates, Chartered Accountants.
27. A copy of the Scheme of Arrangement, Explanatory Statement and Form of Proxy may be obtained from the registered office of the Applicant Company or/ and at the office of the advocate situated at M/s. Rajesh Shah & Co., 16, Oriental Building, 30, Nagindas Master Road, Flora Fountain, Mumbai 400 001 on all days (except Saturdays, Sundays and Public holidays).

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 of the Companies Act, 2013.

Mr. Sanjeev Aga
Chairman appointed for meeting

SCHEME OF ARRANGEMENT

(UNDER SECTIONS 391 TO 394 AND SECTIONS 100 TO 103 OF THE COMPANIES ACT, 1956 READ WITH NOTIFIED SECTION 52 OF COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956/2013)

BETWEEN

SOUTHERN DIGITAL SCREENZ INDIA PRIVATE LIMITED

AND

V N FILMS PRIVATE LIMITED

AND

EDRIDGE LIMITED

AND

UFO INTERNATIONAL LIMITED

AND

UFO MOVIEZ INDIA LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

PREAMBLE

This Scheme of Arrangement is presented for the amalgamation of Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited and UFO International Limited with UFO Moviez India Limited pursuant to Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956 read with Notified Section 52 of Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013.

A. Description of Companies:

Transferee Company

UFO Moviez India Limited ("Transferee Company" or "UMIL") is incorporated under the Companies Act, 1956 and is primarily engaged in the business of providing digital cinema services.

Transferor Company 1

Southern Digital Screenz India Private Limited ("Transferor Company 1" or "SDS") is a private limited company incorporated under the provisions of the Companies Act, 1956 and is also currently engaged in the business of providing digital cinema services. Transferor Company 1 is a wholly owned subsidiary of the Transferee Company as on the date of board approval.

Transferor Company 2

V N Films Private Limited ("Transferor Company 2" or "VNFPL") is a private limited company incorporated under the provisions of the Companies Act, 1956 and is also currently engaged in the business of providing services with respect to Exhibition and Distribution of Movies. Transferor Company 2 is a wholly owned subsidiary of the Transferee Company as on the date of board approval.

Transferor Company 3

Edridge Limited ("Transferor Company 3" or "EL"), a wholly owned subsidiary of Transferee Company, is incorporated under the laws of Cyprus and is engaged in the business of promoting, establishing, managing, administering and participating in the business, management and share capital or assets or otherwise of any company or other entity as a financing, holding or subsidiary company or as a shareholder. Transferor Company 3 is a wholly owned subsidiary of the Transferee Company as on the date of board approval.

Transferor Company 4

UFO International Limited ("Transferor Company 4" or "UIL"), a wholly owned subsidiary of Transferor Company 3, is incorporated under the laws of Cyprus and is engaged in the business of utilization of Digital Cinema Technology worldwide. Transferor Company 4 is a subsidiary of Transferor Company 3 and also an indirect wholly owned subsidiary of Transferee Company as on the date of board approval.

B. Rationale and purpose of the scheme of arrangement:

- a) As noted above, the Transferor Companies are wholly owned subsidiaries of the Transferee Company. With a view of consolidating the digital cinema business in India, it is proposed that SDS, VNFPL, UIL and EL be merged with UMIL. The digital cinema market in India has strong growth potential and a consolidated business would be better placed to take advantage of emerging opportunities.
- b) Upon the proposed amalgamation, all the assets including the intangible assets ("IPs") and liabilities, if any of the Transferor Companies would get transferred to the Transferee Company.
- c) The amalgamation of SDS, VNFPL, UIL and EL with UMIL will lead to better business synergies, improve overall operational efficiency and achieve cost savings.
- d) Such consolidation will also enable UMIL to carry on and conduct its business more efficiently and advantageously with better economies of scale, more productive and optimum utilization of various resources, strengthen its financial position and ability to raise resources for conducting business and provide a stronger capital base for future expansion and growth in India.
- e) The amalgamation will also result in reduction in multiplicity of legal and regulatory compliances required at present to be carried out and further, such consolidation will also help UMIL enhance its ability to compete effectively in the highly competitive digital cinema market in India.
- f) The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.

In view of the aforesaid, the Board of Directors of SDS, VNFPL, EL, UIL and UMIL have considered, deemed it desirable and to the best interest of their respective companies to carry out the merger transactions outlined herein. Accordingly, the respective Board of Directors of SDS, VNFPL, EL, UIL and UMIL have formulated this Scheme of Arrangement for the transfer of the entire business and undertaking of SDS, VNFPL, EL and UIL with and into UMIL pursuant to Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956 read with Notified Section 52 of Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013.

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:
 - 1.1.1 "**Act**" means the Companies Act, 1956 of India, or as applicable, the Companies Act, 2013 of India, or any statutory modification or re-enactment thereof for the time being in force. Any references to the provisions of the 1956 Act shall be construed to be references to the corresponding provisions in the 2013 Act, upon the same becoming effective;
 - 1.1.2 "**Appointed Date**" : a) for the purpose of this scheme relating to amalgamation of Transferor Company 1 with the Transferee Company means 1st day of July 2016; and b) for the purpose of this scheme relating to amalgamation of Transferor Company 2, Transferor Company 3 and Transferor Company 4 with the Transferee Company means 1st day of April, 2016;
 - 1.1.3 "**Applicable Law**" means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, directives, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force of the Relevant Jurisdictions;
 - 1.1.4 "**Bombay High Court**" means the Hon'ble High Court of Judicature at Bombay and shall be deemed to include the National Company Law Tribunal, where applicable;
 - 1.1.5 "**Board of Directors**" or "**Board**" means the Board of Directors of the Transferor Companies and Transferee Company as the case may be, and shall, unless it is repugnant to the context or otherwise, include a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors;

- 1.1.6 **“BSE”** means the Bombay Stock Exchange Limited;
- 1.1.7 **“Cypriot Transferor Companies”** means collectively Transferor Company 3 and Transferor Company 4.
- 1.1.8 **“Effective Date”** means the last of the dates on which all the conditions and matters referred to in Clause 17 of this Scheme have been fulfilled, obtained or waived;
- References in this Scheme to the date of “coming into effect of this Scheme” or “Scheme becoming effective” shall be construed accordingly
- 1.1.9 **“IT Act”** means the Income Tax Act, 1961, of India, including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.1.10 **“Indian Transferor Companies”** means collectively Transferor Company 1 and Transferor Company 2.
- 1.1.11 **“NSE”** means the National Stock Exchange of India Limited.
- 1.1.12 **“Proceedings”** means any suits, actions, proceedings for the enforcement of any claim, debt, liability or obligation including tax assessment proceedings, appeals of whatsoever nature;
- 1.1.13 **“Relevant Jurisdictions”** means the territories of the Republic of India and Republic of Cyprus;
- 1.1.14 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement in its present form with or without any modification(s) made under Clause 16 of this scheme as approved or directed by the Bombay High Court;
- 1.1.15 **“SEBI”** means Securities and Exchange Board of India.
- 1.1.16 **“Stock Exchanges”** means collectively BSE and NSE.
- 1.1.17 **“Transferor Company 1”** or **“SDS”** means Southern Digital Sceenz India Private Limited, a company incorporated under the provisions of the Act and having its registered office at Valuable Techno Park, Plot #53/1, Road #7, MIDC, Marol, Andheri (E), Mumbai-400093, Maharashtra, India;
- 1.1.18 **“Transferor Company 2”**¹ or **“VNFPL”** means V N Films Private Limited, a company incorporated under the provisions of the Act and having its registered office at 30, National Storage Building, Tulsi Pipe Road, Mumbai-400 016, Maharashtra, India;
- 1.1.19 **“Transferor Company 3”** or **“EL”** means Edridge Limited, a private company with limited liability incorporated under the Cyprus Companies Law, Cap. 113 on 8 August, 2006 under registration number HE 174845 and having its registered office at 12 Zinonos Sozou, 1075 Nicosia, Cyprus;
- 1.1.20 **“Transferor Company 4”** or **“UIL”** means UFO International Limited, a private company with limited liability incorporated under the Cyprus Companies Law, Cap. 113 on 11 July, 2006 under registration number HE 180142 and having its registered office at 12 Zinonos Sozou, 1075 Nicosia, Cyprus;
- 1.1.21 **“Transferor Companies”** means collectively Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferor Company 4.
- 1.1.22 **“Transferee Company”**² or **“UMIL”** means UFO Moviez India Limited a company incorporated on 28 May 2004 under the provisions of the Companies Act, 1956 with company number L22120DL2004PLC164728 having its registered office at Valuable Techno Park, Plot #53/1, Road #7, MIDC, Marol, Andheri (E), Mumbai-400093, Maharashtra, India.

¹ Pursuant to order passed by the Regional Director, Northern Region, Ministry of Corporate Affairs (RD) on June 1, 2016 for the shifting of registered office of VN Films Private Limited (Company) from Delhi NCR to State of Maharashtra, the Board of Directors of the Company has passed the resolution for shifting of its registered office to 30, National Storage Building, Tulsi Pipe Road, Mumbai – 400 016 with effect from July 15, 2016. The Company is in process of filing the Form INC-22 with the Registrar of Companies, Ministry of Corporate Affairs intimating the new registered office address to Registrar of Companies, Ministry of Corporate Affairs. It may be noted that the filing of application and petition pursuant to this scheme by VNFPL will be made in the jurisdiction of the High Court of new registered office.

² Pursuant to order passed by the Regional Director Northern Region Ministry of Corporate Affairs (RD) on June 1, 2016 for the shifting of registered office of UFO Moviez India Limited (Company) from Delhi NCR to State of Maharashtra, the Board of Directors of the Company has passed the resolution for shifting of its registered office to Valuable Techno Park, Plot #53/1, Road #7, MIDC, Marol, Andheri (E), Mumbai – 400093 with effect from June 15, 2016. The Company is in process of filing the Form INC-22 with the Registrar of Companies, Ministry of Corporate Affairs intimating the new registered office address to Registrar of Companies, Ministry of Corporate Affairs. It may be noted that the filing of application and petition pursuant to this scheme by UMIL will be made in the jurisdiction of the High Court of new registered office

1.1.23 **“Undertaking”** means whole of the undertaking of the Transferor Companies as going concern, including entire business and properties of Transferor Companies as on Appointed Date, including in particular:

- a) All assets wherever situated, whether moveable or immovable (if any), real or personal, in possession or reversion, material or intellectual, corporeal or incorporeal, tangible or intangible, present or contingent including but not limited to all assets, fixed assets, current assets, all investments, brands, trademarks, patents, copyrights and other intellectual property rights, leases, tenancy rights, premises, hire purchase and lease arrangements, computers, office equipment, furniture, telephones, telexes, facsimile connections, communication facilities, electrical and other installations, sundry debtors, deposits, receivables, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, taxes, tax credits, various exemption/incentives granted under different schemes including carried forward losses of all types and other industrial property, import quotas, import entitlements, right to use and avail of telephones, telex, facsimile and other communication facilities and all other interests, rights and power of every kind, nature and description, whatsoever, privileges, liberties, advantages, benefits, consents, sanctions and approvals, bills of exchange, letters of intent and loans and advances of Transferor Companies.
- b) All liabilities present, future and contingent liabilities, debts, loans, duties or obligations of any kind, nature or description of Transferor Companies.
- c) Without prejudice to the generality of the provisions of the sub clauses above, the Undertaking shall include all rights and licenses, all assignments and grants thereof, benefits of agreements, contracts and arrangements, powers, authorities, municipal permissions, registrations, quotas, permits, allotments, approvals, export licenses, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations, benefits, entitlements and incentives of any nature whatsoever, privileges, liberties, advantages, easements and all the right, title, interests, benefits, entitlement and advantages and all other rights and claims of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by Transferor Companies in connection with or pertaining to all respective books of account, papers, documents and records relating to Transferor Companies and all deposits including security deposits.
- d) All employees on the rolls of the Transferor Companies, if any, on the closing hours of the date immediately preceding the Effective Date.

It is intended that the definition of Undertaking under this clause would enable the transfer of all property, assets, rights, obligations, entitlements, benefits, duties, employees and liabilities of SDS, VNFPL, EL and UIL to UMIL pursuant to the coming into effect of this Scheme, without any further act or deed.

1.2 In this Scheme, unless the context otherwise requires:

- 1.2.1 words denoting the singular shall include the plural and vice versa;
- 1.2.2 headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- 1.2.3 references to the word “include” or “including” shall be construed without limitation;
- 1.2.4 a reference to an article, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, section, paragraph or schedule of this Scheme;
- 1.2.5 unless otherwise defined, the reference to the word “days” shall mean calendar days;
- 1.2.6 reference to dates and times shall be construed to be reference to Indian dates and times;
- 1.2.7 reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- 1.3 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the IT Act or any other applicable laws, rules, regulations, and by-laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. CAPITAL STRUCTURE

- 2.1 The Share Capital of the Transferor Company 1 as per the latest audited balance sheet as on 31 March 2016 is as under:

Particulars	Amount in Rs.
Authorized	
8,000,000 equity shares of Rs. 10/- each	80,000,000/-
1,800,000 10% optionally convertible preference shares of Rs. 100/- each	180,000,000/-
Total	260,000,000/-
Issued, subscribed and fully paid up	
4,298,833 equity shares of Rs. 10/- each	42,988,330
1,725,000 10% optionally convertible preference shares of Rs. 100/- each	172,500,000
Total	215,488,330

As on the date of Board approval, Transferor Company 1 is a wholly owned subsidiary of Transferee Company. Subsequent to the above balance sheet date and up to the date of approval of the Scheme by the Board of Directors of the Transferor Company 1, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the Transferor Company 1.

- 2.2 The Share Capital of the Transferor Company 2 as per the latest audited balance sheet as on 31 March 2016 is as under:

Particulars	Amount in Rs.
Authorized	
50,000 equity shares of Rs. 10/- each	5,00,000/-
Total	5,00,000/-
Issued, subscribed and fully paid up	
10,000 equity shares of Rs. 10/- each	1,00,000/-
Total	1,00,000/-

As on the date of Board approval, Transferor Company 2 is a wholly owned subsidiary of Transferee Company. Subsequent to the above balance sheet date and up to the date of approval of the Scheme by the Board of Directors of the Transferor Company 2, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the Transferor Company 2.

- 2.3 The Share Capital of the Transferor Company 3 as on 31 March 2016 is as under:

Particulars	Amount in US \$
<u>Authorised Share Capital:</u>	
1,165,304 ordinary shares of USD 1.00 each	1,165,304/-
Total	1,165,304/-
<u>Issued Subscribed and paid up:</u>	
1,161,972 ordinary shares of USD 1.00 each fully paid up	1,161,972/-
Total	1,161,972/-

As on the date of Board approval, Transferor Company 3 is a wholly-owned subsidiary of Transferee Company. Subsequent to the above balance sheet date and up to the date of approval of the Scheme by the Board of Directors of the Transferor Company 3, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the Transferor Company 3.

- 2.4 The Share Capital of the Transferor Company 4 as on 31 March 2016 is as under:

Particulars	Amount in US \$
<u>Authorised Share Capital:</u>	
1,100,000 ordinary shares of USD 1.00 each	1,100,000/-
Total	1,100,000/-
<u>Issued Subscribed and paid up:</u>	
1,008,621 ordinary shares of USD 1.00 each fully paid up	1,008,621/-
Total	1,008,621/-

As on the date of Board approval, Transferor Company 4 is a wholly-owned subsidiary of Transferor Company 3. Subsequent to the above balance sheet date and up to the date of approval of the Scheme by the Board of Directors of the Transferor Company 4, there has been no change in the Authorized, Issued, Subscribed and Paid up Share Capital of the Transferor Company 4.

2.5 The Share Capital of the Transferee Company as on 31 March 2016 is as under:

Particulars	Amount in Rs.
<u>Authorised Share Capital:</u>	
45,000,000 equity shares of Rs. 10/- each	450,000,000/-
1,385,000 preference shares of Rs. 1000/- each	1,385,000,000/-
Total	1,835,000,000/-
<u>Issued Subscribed and paid up:</u>	
27,499,376 equity shares of Rs. 10/- each fully paid up	274,993,760/-
Total	274,993,760/-

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

3.1 The Scheme set out herein in its present form or with any modifications or amendments made under Clause 16 of the Scheme, approved or imposed or directed by the High Court, shall be effective from the Appointed Date but shall be made operative from the Effective Date.

4. TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANIES

Upon coming into effect of this Scheme and subject to the provisions of this Scheme:

Vesting of undertaking of Transferor Companies

- 4.1 The whole of the undertaking of the Transferor Companies shall, pursuant to the provisions of Section 391 and Section 394 and all other applicable provisions of the Act and other Applicable Law, without any further act or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become from the Appointed Date the property, assets, liabilities of the Transferee Company and to vest in the Transferee Company all the rights, title and interest of the Transferor Companies.
- 4.2 All the movable assets of the Transferor Companies and the assets which are otherwise capable of transfer by physical delivery or novation or endorsement and delivery, shall be transferred to the Transferee Company and deemed to have been handed over by physical delivery or novation or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and ownership therein passes to the Transferee Company with effect from the Appointed Date.
- 4.3 Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property (including but not limited to land, buildings, offices, factories, sites and any other immovable property, including accretions and appurtenances) of the Transferor Companies, whether freehold or leasehold and any document of title, rights, interest and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, as a successor of the Transferor Companies, without any act or deed to be done or executed by the Transferor Companies and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the title to the immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate governmental authorities and third parties pursuant to the sanction of the Scheme by the High Court and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Companies and/or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations as may be necessary for the purposes of the aforesaid mutation and/or substitution.
- 4.4 All the existing securities, mortgages, charges, encumbrances or liens, if any, created by the Transferor Companies, over the assets of the Transferor Companies transferred to the Transferee Company shall, continue to relate and attach to such assets or any part thereof to which they are related. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Transferee Company.
- 4.5 Any existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company shall continue to relate only to such assets and properties of the Transferee Company and shall not extend or attach to any of the assets and properties of the Transferor Companies transferred to and vested in the Transferee Company by virtue of this Scheme.

- 4.6 All patents, copyrights, designs, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label designs, color schemes, utility models, holograms, bar codes, patents, copyrights, and other industrial or intellectual property rights of any nature whatsoever and licenses privileges in respect thereof, of every kind, nature and description whatsoever of the Transferor Companies or to which the Transferor Companies is entitled or which may accrue to the Transferor Companies shall, pursuant to the provisions of Section 394 of the Act and other Applicable Laws without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date, all the patents, copyrights, designs, trademarks, service marks, know-how, technical know-how, trade names, descriptions, trading style, franchise, labels, label designs, color schemes, utility models, holograms, bar codes, patents, copyrights, and industrial or intellectual property rights, licenses and privileges of the Transferee Company and shall remain valid, effective and enforceable by the Transferee Company on the same terms and conditions.
- 4.7 Upon effectiveness of the Scheme, all the profits or incomes accruing or arising to the Transferor Companies, or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Companies shall, for all purposes, be treated as and be deemed to be and accrue as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.
- 4.8 Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities including but not limited to all secured and unsecured debts, sundry creditors, liabilities (including contingent liabilities), duties and obligations and Undertaking of the Transferor Companies, all other obligations (including any guarantees, letter of credit or any other instrument or arrangement which may give rise to a contingent liability in whatever form) whether relating to and comprised in any of the Undertaking or otherwise, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (herein referred to as the Liabilities), shall, pursuant to the sanction of this Scheme by the Court and under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.
- 4.9 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Companies and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.
- 4.10 The Transferee Company and the Transferor Companies shall obtain any consent, approval, order or authorization of, or registration, declaration or filing with any court, administrative agency or commission or other governmental agency or instrumentality, domestic or foreign that is required of the Transferee Company and the Transferor Companies, in connection with the execution and implementation of this Scheme or the completion of the transactions contemplated hereby.

5. COMPLIANCE WITH TAX LAWS

- 5.1 This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified in Section 2(1B) and other relevant provisions of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the IT Act shall prevail and the Scheme shall stand modified to the extent required to comply with Section 2(1B) and other relevant provisions of the IT Act.
- 5.2 Such modification will however not affect the other parts of the Scheme, except to the extent required to give effect to the Scheme.
- 5.3 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for minimum alternate tax

purposes and tax benefits), service tax law and other tax laws and to claim tax benefits under the Applicable Law, if any, and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

- 5.4 All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies shall be continued and/or enforced until the Effective Date by the Transferor Companies. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies.
- 5.5 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme.
- 5.6 Any tax liabilities duties/levies of the Transferor Companies under IT Act and other Applicable Law to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 5.7 Any refund of taxes/duties/levies due to Transferor Companies under IT Act and other Applicable Law consequent to the assessment made on Transferor Companies and for which no credit is taken in the accounts as on date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 5.8 Further, any tax deducted at source by Transferee Company on transactions with the Transferor Companies, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 5.9 The tax payments (including, without limitation income tax, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Companies after the Appointed Date, shall be deemed to be have been paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 5.10 Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, customs duty drawback, etc.) to which the Transferor Companies is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 5.11 Upon the coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Companies on or after Appointed Date shall be deemed to be made by the Transferee Company.

6. LEGAL PROCEEDINGS

Upon effectiveness of the Scheme:

- 6.1 Any Proceedings by, or against, the Transferor Companies which are pending or which may arise as at the Effective Date, the same shall be continued by, or against, the Transferee Company in the same manner and to the same extent as they would or might have been continued by, or against, the Transferor Companies.
- 6.2 The Proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme.
- 6.3 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any Proceedings in relation to the Transferor Companies in the same manner and to the same extent as would or might have been initiated by the Transferor Companies.

7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS ETC.

- 7.1 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly provided that, upon the coming into effect of the Scheme, all consents, permissions, licenses, certificates, clearances, authorities (including for the operations of bank accounts), power of attorneys in respect of the Transferor Companies shall stand transferred to the extent they are capable of being transferred under the provisions of Section 391 and Section 394 and all other applicable provisions of the Act and other Applicable Law to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.
- 7.2 All contracts, deeds, bonds, agreements, arrangements and all other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting and having effect immediately before the Effective Date shall remain in full force and effect against or in

favour of the Transferee Company as the case may be and may be enforced as fully and effectually, as if, instead of the Transferor Companies, the Transferee Company has been a party or beneficiary or obligee thereto.

- 7.3 The resolutions, if any, of Transferor Companies, which are valid and subsisting on Effective Date, shall continue to be valid and subsisting and be considered as resolutions validly passed by the Transferee Company to the extent necessary.

8. EMPLOYEES OF TRANSFEROR COMPANIES

- 8.1 On the Scheme coming into effect, all employees of the Transferor Companies, in service on the Effective Date, if any, shall become the employees of the Transferee Company without any break or interruption in their service as a result of the transfer and vesting of the Undertaking of Transferor Companies to the Transferee Company. The terms and conditions of their employment with effect from the Effective Date shall not be less favorable than those applicable to them with reference to the Transferor Companies on the Effective Date.
- 8.2 It is expressly provided that, on the Scheme becoming effective and with effect from the Appointed Date, the provident fund, gratuity fund or any other special fund or trusts created or existing for the benefit of the staff, workmen and other employees of the Indian Transferor Companies shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such funds or trusts or in relation to the obligation to make contributions to the said funds or trusts in accordance with the provisions thereof as per the terms provided in the respective trust deeds or other documents, if any. It is the aim and intent of the Scheme that all rights, duties, powers and obligations of the Indian Transferor Companies in relation to such funds or trusts shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Indian Transferor Companies who are employed with the Transferee Company will be treated as having been continuous for the purpose of the said Fund or Funds. The trustees including the Board of Directors of the Indian Transferor Companies and the Transferee Company or through any committee/person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or break in the services of the employees of the Indian Transferor Companies.

9. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

Unless otherwise stated, for the period beginning from the date of the respective Board meetings of the Transferor Companies and the Transferee Company approving the Scheme and ending on the Effective Date:

- 9.1 The Transferor Companies shall carry on and shall be deemed to have been carrying on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Undertaking for and on account of, and in trust for, the Transferee Company. The Transferor Companies hereby undertake to hold the Undertaking with utmost prudence until the Effective Date.
- 9.2 The Transferor Companies shall carry on their businesses and activities with reasonable diligence and business prudence anameshd shall undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its fixed assets or any part thereof, only if the same are in the ordinary course of business, or if the same are pursuant to any pre-existing obligation(s) undertaken by the Transferor Companies; it being clarified that if such matters are sought to be undertaken outside of the ordinary course of business or if the Transferor Companies seeks to undertake any new ventures or businesses, the same may be undertaken with the prior consent in writing of any of the persons authorised by the Board of Directors of the Transferee Company.
- 9.3 The Transferor Companies may make any change in their respective capital structure, whether by way of increase, decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner, only after obtaining the prior written approval of the Board of Directors of the Transferee Company.

10. CONSIDERATION

- 10.1 Considering that as on the date of Board approval , transferee Company holds entire equity share capital of Transferor Company 1, Transferor Company 2 and Transferor Company 3 and indirectly of Transferor Company 4 and also holds entire preference share capital of Transferor Company 1, pursuant to the merger of the Transferor Companies with the Transferee Company, the investment in the share capital of the Transferor Companies appearing in the books of account of the Transferee Company and other Transferor companies will stand cancelled and no shares shall be issued against the same.

11 ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF THE TRANSFEE COMPANY

With effect from the Appointed Date, the Transferee Company shall account for in its books of accounts as under:

- 11.1 The amalgamation shall be accounted for in the books of account of the Transferee Company according to the "Pooling of Interests Method" of accounting as per the Accounting Standard (AS) 14, 'Accounting for Amalgamations' as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies Accounts Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and the other relevant provisions of the Act.
- 11.2 Accordingly on and from the Appointed Date and subject to the provisions hereof all assets, liabilities and reserves (including balance in securities premium), of the Transferor Companies, if any, shall be recorded in the books of account of the Transferee Company at their existing carrying amounts (In case of Cypriot Transferor Companies, the amount shall be recorded after converting the existing carrying amounts using the applicable exchange rate as prescribed under AS-11, 'The Effects of Changes in Foreign Exchange Rates' as specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies Accounts Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and the other relevant provisions of the Companies Act, 2013) and in the same form, including the debit balance in Profit and Loss Account of the Transferor Companies as debit balance in Profit and Loss Account of the Transferee Company.
- 11.3 The investment of Transferor Company 1, Transferor Company 2 and Transferor Company 3 appearing in the books of Transferee Company, investment of Transferor Company 4 appearing in the books of Transferor Company 3 shall stand cancelled.
- 11.4 All costs and expenses incurred as per Clause 20 below as well as other costs incidental with the finalization of this Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the above Scheme, shall be charged to Profit and Loss Account of the Transferee Company.
- 11.5 Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Transferor Companies and the Transferee Company, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company.
- 11.6 The accounting policy of the Transferee Company would be applied to the assets, liabilities, income and expenses of the Transferor Companies from the Appointed Date. In case of any difference in accounting policy between the Transferor Companies and the Transferee Company, the effects on the financial statements of any changes in accounting policies should be adjusted in accordance with Accounting Standard 5, 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies Accounts Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and the other relevant provisions of the Companies Act, 2013.
- 11.7 The difference in books of accounts of Transferee Company on account of:
 - 11.7.1 Net assets acquired pursuant to clause 11.2 over;
 - 11.7.2 Reserves acquired pursuant to clause 11.2 and cancellation of investments in Transferor Companies pursuant to clause 11.3; shall be recorded in Amalgamation Reserve account of the Transferee Company.
- 11.8 The consolidated financial statements of Transferee Company shall be prepared on line by line basis as per requirements of Accounting Standard 21, 'Consolidated Financial statements' as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies Accounts Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016 and the other relevant provisions of the Companies Act, 2013 after giving effect to clauses 11.1 to 11.7 and clause 12 of this Scheme.

12 REDUCTION OF THE SECURITIES PREMIUM ACCOUNT OF TRANSFEE COMPANY

- 12.1 Upon the Scheme coming into effect and with effect from the Appointed Date, the debit balance in profit and loss account of Transferor Companies and the Amalgamation Reserve account (created pursuant to clause 11.7) shall be adjusted against Securities Premium of the Transferee Company.
- 12.2 All such adjustments against the Securities Premiums account of the Transferee Company shall be effected in accordance with provisions of Sections 391 to 394 and Section 100 to 103 of the Companies Act, 1956 read with Notified Section 52 of Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013. For giving effect to such adjustments, procedure under Notified section 52 of the Companies Act, 2013 and Section 100 of the Companies Act, 1956 would not have to be followed or complied with separately. For giving effect to the above provisions, the permissions from the shareholders of the Transferee Company shall be deemed to have been received as contemplated by the Act and other related provisions, upon this Scheme being approved by members of the Transferee Company at the court convened meeting or otherwise. The reduction in the Securities Premium Account as aforesaid if any, of the Transferee Company shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital and the order of the High Court sanctioning the

Scheme shall be deemed to be an order under Section 102 of the Act (including corresponding applicable provisions of the Companies Act, 2013) confirming the reduction of Securities Premium Account. The Transferee Company shall not be required to add “and reduced” as a suffix.

13 COMBINATION OF AUTHORISED SHARE CAPITAL

13.1 Upon the Scheme becoming effective, the Authorized Share Capital of the Indian Transferor Companies as provided in Clause 2 above, or such amount as may be on the Effective Date, shall be added to the Authorised Share Capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any further payment of stamp duty or the registration fees on such combined Authorised Share Capital under Section 403 of the Act, Indian Transferor Companies and the Transferee Company having already paid such fees and further Clause V (a) of the Memorandum of Association of the Transferee Company shall be amended accordingly.

13.2 Pursuant to the Scheme becoming effective, the authorized share capital of the Transferee Company will be as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
5,30,50,000 Equity Shares of Rs. 10/- each	53,05,00,000/-
15,65,000 Preference Shares of Rs. 1000/- each	1,56,50,00,000/-
Total	2,09,55,00,000/-

13.3 Upon the Scheme becoming effective, Clause V (a) of the Memorandum of Association shall stand substituted without any further act instrument or deed and the same should read as under:

Clause V (a) of the Memorandum of Association of the Transferee Company –

“Authorised Share Capital of the Company is Rs.2,09,55,00,000/- (Rupees Two Hundred Nine Crores Fifty Five Lacs Only) divided into 5,30,50,000 (Five Crore Thirty Lac Fifty thousand) Equity Shares of Rs.10 (Ten) each and 15,65,000 (Fifteen Lac Sixty Five Thousand) Preference Shares Rs.1000 (One Thousand) each.”

14 FILING OF THE SCHEME AND APPLICATION TO THE DISTRICT COURT OF NICOSIA

14.1 The Directors of the Cypriot Transferor Companies will file a copy of the Scheme for registration and publication with the Registrar of Companies of Cyprus, together with any other relevant/necessary documentation pursuant to the applicable legislation.

14.2 The Cypriot Transferor Companies will also simultaneously file the Scheme with the District Court of Nicosia under the Cyprus Companies Law, CAP 113 for an order sanctioning the Scheme between the Cypriot Transferor Companies and the Transferee Company.

14.3 Upon filing of the Scheme with the Cyprus Registrar of Companies and the District Court of Nicosia, the Cypriot Transferor Companies will: (a) apply for a Tax Clearance Certificate from the Cyprus Tax Authorities and request de-registration from the relevant tax department, (b) proceed with the closing of the bank accounts in the name of the Cypriot Transferor Companies and (c) arrange for the closing of the office they maintain in Larnaca, Cyprus.

14.4 Cypriot Transferor Companies shall take all necessary steps for their dissolution without winding up.

15 APPLICATION TO THE BOMBAY HIGH COURT

15.1 The Transferee Company and the Indian Transferor Companies shall, make an application to the Bombay High Court under Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956 read with Notified Section 52 of Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013 for an order sanctioning this Scheme between the Transferor Companies and the Transferee Company and its shareholders and creditors.

15.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any governmental authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Companies.

16 MODIFICATIONS OR AMENDMENTS TO THE SCHEME

16.1 The Transferor Companies and the Transferee Company through their respective Board of Directors or any director authorized in that behalf by the Boards of Directors are hereby empowered and authorised to assent on behalf of all concerned to any alteration or modification or amendment or substitution of this Scheme or to any conditions or limitations which the High Court may impose and to settle all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters and things as may be necessary for putting the scheme into effect.

- 16.2 In the event any of the conditions that may be imposed by the Bombay High Court while sanctioning the scheme which the Board of Directors of the Transferor Companies and the Transferee Company may find unacceptable for any reason, then the Transferor Companies and the Transferee Company are at liberty to withdraw from the Scheme.

17 CONDITIONALITY OF THE SCHEME/EFFECTIVE DATE

- a. Notwithstanding any other provision of this Scheme, this Scheme is conditional upon and subject to the certified copies of the order of Bombay High Court under Section 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai.
- b. Approval by the requisite majority of shareholders and creditors (wherever required) of the Transferor Companies and the requisite majority of shareholders and creditors (wherever required) of the Transferee Company, as required under Applicable Laws.
- c. Compliance by the Cypriot Transferor Companies of all the necessary and applicable provisions of the laws of Cyprus

18 Dissolution of the Transferor Companies

- 18.1 Upon this scheme being effective, the Transferor Companies shall stand dissolved without being wound-up.

19 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- a. In the event of any of the said sanctions and approvals referred to in the preceding Clauses not being obtained and/or the Scheme not being sanctioned by the Bombay High Court, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. The Transferee Company shall bear and pay the costs, charges and expenses for and or in connection with the Scheme or as may otherwise arise in law.
- b. In the event of this Scheme failing to take effect finally by 31 August 2017, or such other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Companies and the Transferee Company who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitation in exercise of their powers through and by their respective delegate(s), this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or creditors or employees or any other person.

20 COSTS, CHARGES AND EXPENSES IN RELATION TO THE SCHEME

All costs, charges and taxes, including stamp duties, levies and all expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

21 LANGUAGE

This Scheme has been prepared in the English language. The translation of the same into the Greek language serves only for the purpose of filing the same with the Cyprus Registrar of Companies and the English version prevails.



RBSA Capital Advisors LLP

*SEBI Registered Category 1 Merchant Banker
Registration Code: INM000011724*

August 10, 2016

Report Ref No.: RCA/2016-17/0802

The Board of Directors
UFO Moviez India Limited
Valuable Techno Park,
Plot #53/1, Road No 7,
MIDC, Andheri East,
Mumbai - 400093

Sub: Fairness Opinion on the proposed Amalgamation of Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited and UFO International Limited with UFO Moviez India Limited.

This has reference to our engagement letter wherein UFO Moviez India Limited (herein referred to as the "Transferee Company" or "UMIL") has requested RBSA Capital Advisors LLP ("RBSA") to provide fairness opinion on the proposed Amalgamation of Southern Digital Screenz Private Limited (herein referred to as the "Transferor Company 1" or "SDS"), V N Films Private Limited (herein referred to as the "Transferor Company 2" or "VNFPL"), Edridge Limited (herein referred to as the "Transferor Company 3" or "EL") and UFO International Limited (herein referred to as the "Transferor Company 4" or "UIL") with UMIL (hereinafter referred to as "Amalgamation").

SDS, VNFPL and EL are wholly owned subsidiary of UMIL, while UIL is a wholly owned subsidiary of EL. SDS, VNFPL, EL, UIL, UMIL are hereinafter collectively referred to as the "Companies".

BACKGROUND, PURPOSE AND USE OF THIS REPORT

We understand that the managements of the Companies are proposing a Scheme of Arrangement between UMIL, SDS, VNFPL, EL, UIL and their respective shareholders. The appointed date of Amalgamation for Transferor Company 1 with Transferee Company is with effect from July 1, 2016, while appointed date of Amalgamation for Transferor Company 2, 3 and 4 with Transferee Company is with effect from April 1, 2016. This is proposed to be achieved by the Scheme of Arrangement involving amalgamation of SDS, VNFPL, EL and UIL with UMIL pursuant to Sections 391 to 394 and Section 100 to 103 of the Companies Act, 1956 read with Notified Section 52 of Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013. As part of the proposed scheme SDS, VNFPL, EL and UIL would be amalgamated with UMIL and will cease to exist. As stated in the draft Scheme of Arrangement, the entire issued, subscribed and paid up capital of SDS, VNFPL, EL and UIL shall stand cancelled and extinguished pursuant to the implementation of this scheme and UMIL would not be required to issue and allot any shares to the shareholders of SDS, VNFPL, EL and UIL.



RBSA Capital Advisors LLP

*SEBI Registered Category 1 Merchant Banker
Registration Code: INM000011724*

This report is intended only for the sole use and information of the UMIL , and only in the connection with the Amalgamation including for the purpose of obtaining judicial and regulatory approvals for the Amalgamation. We are not responsible in any way to any other person / party for any decision of such person or party based on this report. Any person / party intending to provide finance / invest in the shares / business of any of the Companies or their subsidiaries / joint ventures / associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Amalgamation as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant High Court, stock exchanges, advisors of the Companies in relation to the Scheme, as well as with the statutory authorities.

SOURCES OF INFORMATION:

In arriving at the opinion set forth below, we have relied on:

- a) Discussions with management of Companies regarding the draft Scheme of Arrangement, Capital Structure and shareholding.
- b) Financial Statements of UMIL as on March 31, 2016.
- c) Certificate from Independent Chartered Accountant dt. July 26, 2016 for non-applicability of valuation report.
- d) Financial Statements of SDS for the year ended June 30, 2016.
- e) Shareholding Pattern of SDS as on June 30, 2016.
- f) Financial Statements of VNFPL for the year ended March 31, 2016.
- g) Shareholding Pattern of VNFPL as on March 31, 2016.
- h) Financial Statements of EL for the year ended March 31, 2016.
- i) Shareholding Pattern of EL as on March 31, 2016.
- j) Financial Statements of UIL for the year ended March 31, 2016.
- k) Shareholding Pattern of UIL as on March 31, 2016.
- l) Financial information to the extent available in the public domain.
- m) Information, discussions (including orally) and documents as provided by Companies for the purpose of this engagement.



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SCOPE LIMITATIONS:

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the Companies or their businesses referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion for the consideration under the proposed Amalgamation. It may not be valid for any other purpose or if done on behalf of any other entity.

Our analysis and results are also specific to the date of this report and based on information received from the Companies till August 8, 2016. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed Amalgamation, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed appointed date for the proposed Amalgamation. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

During the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Companies without detailed inquiry. We have been given to understand by the managements of the companies that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the companies and their impact on the present exercise.



RBSA Capital Advisors LLP

*SEBI Registered Category 1 Merchant Banker
Registration Code: INM000011724*

We express no opinion whatsoever and make no recommendation at all to the Companies' underlying decision to effect the proposed Amalgamation or as to how the holders of equity shares or preference shares or secured or unsecured creditors of UMIL should vote at their respective meetings held in connection with the proposed Amalgamation. We do not express and should not be deemed to have expressed any views on any other term/s of the proposed Amalgamation. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of UMIL will trade following the announcement of the proposed Amalgamation or as to the financial performance of UMIL, following the consummation of the Amalgamation.

No investigation of the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not be construed as our opining or certifying the compliance of the proposed Amalgamation with the provisions of any law including company law, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed Amalgamation.

We have not conducted or provided an analysis of due diligence or appraisal of the assets and liabilities of the Companies and have relied on information provided by the Companies in this regard.

It is understood that this letter is for the benefit of and use of the Board of Directors/shareholders of UMIL for the purpose of this Proposed Amalgamation and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent.

RATIONALE AND CONCLUSION:

We are given to understand by the Company that the management of UMIL is proposing a restructuring by merging SDS, VNFPL, EL and UIL in order to consolidate its digital cinema business in India. The Amalgamation is envisaged to help UMIL take advantage of the emerging opportunities through operational synergies, economies of scale and cost savings. This amalgamation is also undertaken with a view to reduce multiplicity of regulatory and legal filings and achieving cost savings. The Amalgamation will enable UMIL to expand its business in India by raising funds and increasing its capital base in India.

As stated in the draft Scheme of Arrangement, the entire issued, subscribed and paid up share capital of SDS, VNFPL, EL, and UIL shall stand cancelled and extinguished pursuant to the implementation of this scheme and UMIL would not be required to issue and allot any shares to the shareholders of SDS, VNFPL, EL, and UIL.



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The aforesaid Amalgamation shall be pursuant to the draft Scheme of Arrangement and shall be subject to receipt of approval from the jurisdictional High Court and relevant stock exchanges and any other statutory approvals as may be required. The detailed terms and conditions of the Amalgamation more fully set forth in the draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good incase the final Scheme of Arrangement alters the transaction.

Based on the information, data made available to us, to the best of our knowledge and belief, the proposed Scheme of Arrangement is fair to the equity shareholders of UMIL.

For RBSA Capital Advisors LLP

Rajeev Shah
Managing Director



Date: September 12, 2016

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Fax: 022 – 2272 3121

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Fax: 022 – 2659 8237 / 38

Ref.: UFO Moviez India Limited

BSE Scrip Code: 539141

NSE Scrip Code: UFO

Sub.: Submission of Complaints Report as per Regulation 37 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement of Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited and UFO International Limited with UFO Moviez India Limited

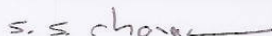
Dear Sir / Madam,

With reference to the captioned subject and our application under aforementioned regulation for the proposed scheme of arrangement, please find enclosed herewith 'Complaints Report' as Annexure-A.

Kindly take the same on your record.

Thanking You,

For UFO Moviez India Limited



Sameer Chavan
Company Secretary

Encl: Annexure-A

UFO MOVIEZ INDIA LIMITED

Registered & Corporate Office : Valuable Techno Park, Plot # 53/1, Road # 07, Marol MIDC, Andheri (E), Mumbai - 400 093. Tel: +91 022 4030 5060, Fax: +91 022 4030 5110/14
Corporate Identity Number: L22120DL2004PLC164728 • Email: corporate@ufomoviez.com • Website: www.ufomoviez.com

COMPLAINTS REPORT

PART A

As on 12 September, 2016:

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total number of complaints / comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of Complaint	Date of Complaint	Status (resolved / pending)
Not Applicable			

For UFO Moviez India Limited

S. S. Chavan

Sameer Chavan
Company Secretary

UFO MOVIEZ INDIA LIMITED

Registered & Corporate Office : Valuable Techno Park, Plot # 53/1, Road # 07, Marol MIDC, Andheri (E), Mumbai - 400 093. Tel: +91 022 4030 5060, Fax: +91 022 4030 5110/140.
Corporate Identity Number: L22120DL2004PLC164728 • Email: corporate@ufomoviez.com • Website: www.ufomoviez.com

Date: August 23, 2016

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Fax: 022 – 2272 3121

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Fax: 022 – 2659 8237 / 38

Ref.: UFO Moviez India Limited

BSE Scrip Code: 539141

NSE Scrip Code: UFO

Sub.: Submission of Complaints Report as per Regulation 37 of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement of Southern Digital Screenz India Private Limited, V.N. Films Private Limited, Edridge Limited and UFO International Limited with UFO Moviez India Limited


Dear Sir / Madam,

With reference to the captioned subject and our application under aforementioned regulation for the proposed scheme of arrangement, please find enclosed herewith 'Complaints Report' as Annexure-A.

Kindly take the same on your record.

Thanking You,

For UFO Moviez India Limited


Sameer Chavan
Company Secretary

Enc: Annexure-A



UFO MOVIEZ INDIA LIMITED

Registered & Corporate Office : Valuable Techno Park, Plot # 53/1, Road # 07, Marol MIDC, Andheri (E), Mumbai - 400 093. Tel: +91 022 4030 5060, Fax: +91 022 4030 5110/140
Corporate Identity Number: L22120DL2004PLC164728 • Email: corporate@ufomoviez.com • Website: www.ufomoviez.com

COMPLAINTS REPORT

PART A

As on 23 August, 2016:

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges	Nil
3.	Total number of complaints / comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of Complaint	Date of Complaint	Status (resolved / pending)
Not Applicable			

For UFO Moviez India Limited

S. Chavan



**Sameer Chavan
Company Secretary**

UFO MOVIEZ INDIA LIMITED

Registered & Corporate Office : Valuable Techno Park, Plot # 53/1, Road # 07, Marol MIDC, Andheri (E), Mumbai - 400 093. Tel: +91 022 4030 5060, Fax: +91 022 4030 5110/140
Corporate Identity Number: L22120DL2004PLC164728 • Email: corporate@ufomoviez.com • Website: www.ufomoviez.com

Ref: NSE/LIST/88577

September 28, 2016

The Company Secretary
UFO Moviez India Limited
Valuable Techno Park,
Plot no. 53/1, Road no. 7, MIDC,
Marol, Andheri (E),
Mumbai - 400093

Kind Attn.: Mr. Sameer Chavan

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Southern Digital Screenz India Private Limited and V N Films private Limited and Edridge Limited and UFO International Limited and UFO Moviez India Limited and their respective shareholders and creditors.

This has reference to draft Scheme of Arrangement between Southern Digital Screenz India Private Limited and V N Films private Limited and Edridge Limited and UFO International Limited and UFO Moviez India Limited and their respective shareholders and creditors submitted to NSE vide your letter dated July 28, 2016.

Based on our letter reference no Ref: NSE/LIST/85606 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated September 27, 2016, has given following comments on the draft Scheme of Arrangement:

"1. The Company shall ensure that information submitted by the Company, UFO Moviez India Limited, vide letter dated August 31, 2016 to BSE pertaining to dissolution of the transferor companies is suitably incorporated in the draft scheme.

2. The Company shall duly comply with various provisions of the Circular."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from September 28, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a) Copy of Scheme as approved by the High Court;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,

1.



- d) Status of compliance with the Observation Letter/s of the stock exchanges.
- e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f) Complaints Report as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Divya Poojari
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

DCS/AMAL/AM/24(f)/551/2016-17

September 28, 2016



The Company Secretary
UFO Moviez India Limited
Valuable Techno Park, Plot No. 53/1,
Road No. 7, MIDC, Andheri (East),
Mumbai, Maharashtra - 400093

Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Arrangement of Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited and UFO Moviez India Limited.

We are in receipt of Draft Scheme of Arrangement of Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited and UFO Moviez India Limited.

As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated September 27, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- *"Company to ensure that information submitted vide letter dated August 31, 2016, pertaining to dissolution of transferor companies is suitably incorporated in the draft scheme."*
- *"Company shall duly comply with various provisions of the Circulars."*

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

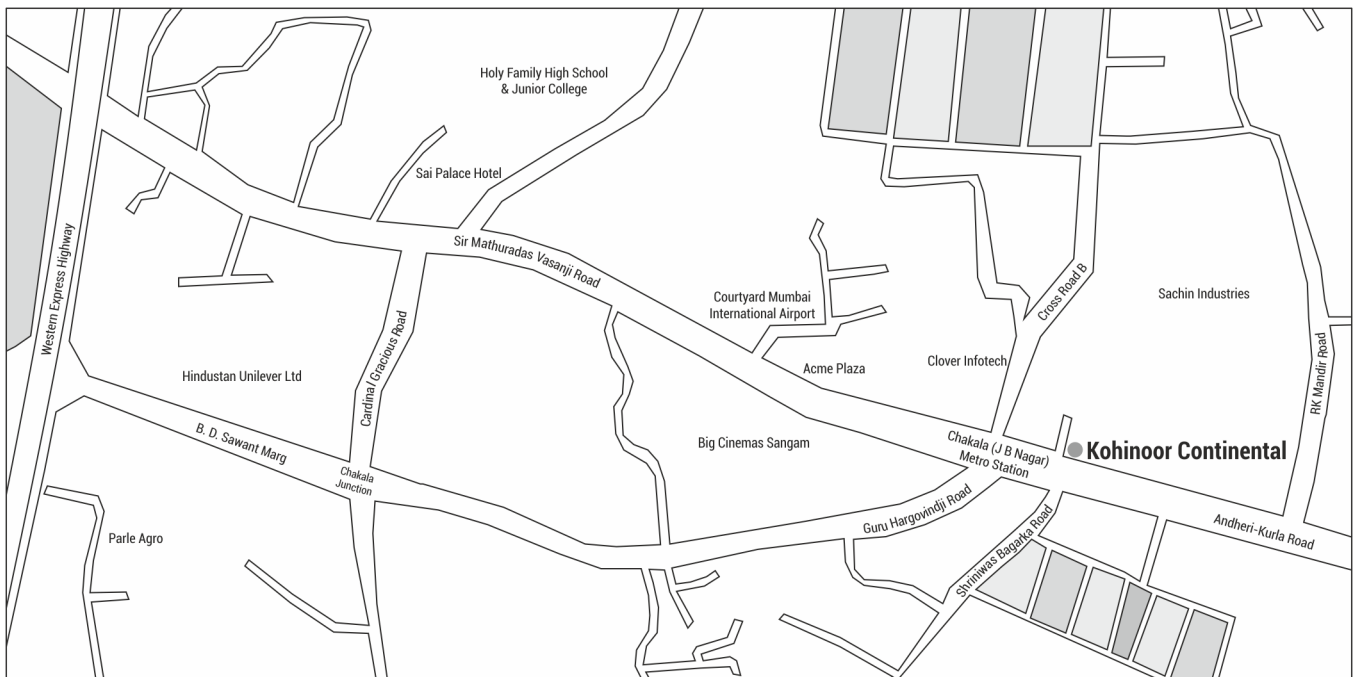
The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pajari
Manager

Court Convened Meeting - Route Map





UFO MOVIEZ INDIA LIMITED

(CIN: L22120MH2004PLC285453)

Registered and Corporate Office: Valuable Techno Park, Plot No. 53/1, Road No. 7, MIDC, Marol,

Andheri (East), Mumbai – 400 093, India

Phone: +91 (22) 4030 5060 Fax: +91 (22) 4030 5110

Email: investors@ufomoviez.com Website: www.ufomoviez.com

ATTENDANCE SLIP

COURT CONVENED MEETING OF EQUITY SHAREHOLDERS ON 16TH JANUARY, 2017.

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE REGISTRATION COUNTER AT THE MEETING HALL)

I / We hereby record my/our presence at the Court Convened Meeting of the Shareholders of UFO Moviez India Limited held on Monday, 16th January, 2017 at 11.00 a.m. at Emerald Hall, Kohinoor Continental, Andheri-Kurla Road, JB Nagar, Andheri- East, Mumbai - 400059, Maharashtra, India.

Name and Address of the equity shareholder :
(In Block Letters)

Folio No :

Name of DP: NSDL/CDSL
(Strike out what is not necessary)

DP ID No :

Client ID No :

Number of shares held :

Signature :

Name of proxy/authorized representative :

Signature :

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO 1005 OF 2016**

In the matter of Sections 391 to 394 and Section 100 to 103 of the Companies Act, 1956 read with Notified Section 52 of Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 / 2013;

AND

In the matter of Scheme of Arrangement between Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited and UFO Moviez India Limited and their Respective Shareholders

UFO MOVIEZ INDIA LIMITED, a company incorporated on 14th June, 2004 under the provisions of the Companies Act 1956 and having its registered office Valuable Techno Park, Plot #53/1, Road #7 MIDC, Marol, Andheri (E), Mumbai – 400093, Maharashtra, India. CIN L22120MH2004PLC285453

.....Applicant Company

FORM OF PROXY

I/We, the undersigned equity shareholder(s) of the Applicant Company hereby appoint Mr./Ms. of _____ and failing him/her Mr./Ms. of as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company to be held on Monday, 16th January, 2017 at 11.00 a.m. at Emerald Hall, Kohinoor Continental Andheri-Kurla Road, JB Nagar, Andheri- East, Mumbai- 400059 for the purpose of considering and if thought fit approving with or without modification(s), the Scheme of Arrangement between Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited and the Applicant Company and their respective shareholders ("Scheme") which inter-alia provides for (i) amalgamation of Southern Digital Screenz India Private Limited, V N Films Private Limited, Edridge Limited, UFO International Limited with the Applicant Company; and ii) the reduction of securities premium of the Applicant Company and at such meeting and at any adjournment or adjournments thereof, to vote, for me/us/and in my/our name (herein, if for insert '**For**', if against insert '**Against**', and in the latter case, strikeout the words either with or without modification(s) after the word 'Scheme of Arrangement') the said Scheme of Arrangement, either with or without modification(s)* as my/our proxy may approve.

*Strikeout what is not necessary

Dated this.....day of....., 2016/2017

Name :

Address :

(For Demat holding)

Name of DP: NSDL/CDSL (Strikeout what is not necessary)

DPID : Client Id:

(For Physical holding)

Folio No. No. of Shares held:

Affix Re. 1
Revenue
Stamp

Signature of Shareholder(s): Signature of Proxy:

Sole holder/First holder : Second holder : Third holder :

- Notes:
1. Please affix Revenue Stamp before putting Signature
 2. All alterations made in the Form of Proxy should be initiated.
 3. Proxy must be deposited at the registered office of the Applicant Company, not later than 48 hours before the commencement of the meeting.
 4. Proxy need not be a shareholder of the Applicant Company.
 5. In case of multiple proxies, the proxy later in time shall be accepted.

