

**COMPOSITE SCHEME OF ARRANGEMENT  
BETWEEN  
PALRED TECHNOLOGIES LIMITED (FORMERLY KNOWN AS FOUR SOFT LIMITED)  
("TRANSFEREE COMPANY")  
AND  
PALRED MEDIA AND ENTERTAINMENT PRIVATE LIMITED  
("1<sup>ST</sup> TRANSFEROR COMPANY")  
AND  
PALPREMIUM ONLINE MEDIA PRIVATE LIMITED  
(2<sup>ND</sup> TRANSFEROR COMPANY)  
AND  
THEIR RESPECTIVE SHAREHOLDERS  
UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 78,100 TO 103 OF THE COMPANIES ACT, 1956**

**(A) PREAMBLE OF THE SCHEME**

This Scheme of Arrangement is presented under Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 for Reorganization and Capital Reduction of Palred Technologies Limited and Amalgamation of Palred Media and Entertainment Private Limited and Palpremium Online Media Private Limited into Palred Technologies Limited.

**(B) DESCRIPTION OF THE COMPANIES**

1. **"M/s Palred Technologies Limited" (PTL)** (Formerly known as Four Soft Limited) was originally incorporated under the name and style of M/s. Four Soft Private Limited on 24.12.1999 in the State of Andhra Pradesh, Hyderabad vide Certificate of Incorporation Number 01-33131 of 1999-2000. Subsequently the Company was converted into a Public Limited Company and the name of the Company was changed to Four Soft Limited and consequent upon change of name on conversion to Public limited company, the Company obtained a Fresh Certificate of Incorporation from the Registrar of Companies, Andhra Pradesh on 23.04.2003 after complying with the relevant provisions under the Companies Act, 1956. Further the name of the Company was changed from Four Soft Limited to Palred Technologies Limited and consequent upon change of name the Company obtained a Fresh Certificate of Incorporation from the Registrar of Companies, Andhra Pradesh on 09.12.2013 after complying with the relevant provisions under the Companies Act, 1956. (the Corporate Identification Number of the Company is L72200AP1999PLC033131)(Hereinafter referred to as the **Transferee Company**).

M/s Palred Technologies Limited is a listed Company having its shares listed on BSE Limited (formerly known as Bombay Stock Exchange Ltd.) and National Stock Exchange of India Ltd.

**Main Objects:**

- (a) To carry on the business of manufacture, assemble, develop, service, repair, maintain, buy, sell, hire, use, retain, lease, exchange, transport, import, export, design, research and deal in all kinds of computer hardware and software for Industrial, medical, engineering, scientific, architectural, Legal, financial, hospitality, logistics, transportation supply chain management, e commerce, information technology and allied services, business and non-business applications and devices

and also to deal in instruments, equipments or things of a character similar and analogous to the foregoing, or any of them or connected therewith which may be usefully and conveniently combined with the business of the company.

- (b) To carry on the business of consulting engineers, designing and acquire the designing or technical know-how and take up projects on turnkey basis or otherwise in the field of computer science, designing and electronics and communications.
- (c) To carry on the business of consultants in India or abroad and to render all kinds of services including technical and marketing in the field of electronics, communications, computers and information technology and to open and maintain training centers in India or abroad.

2. **“M/s Palred Media and Entertainment Private Limited” (PMEPL)** was incorporated under the provisions of Companies Act, 1956, in the State of Andhra Pradesh, Hyderabad vide Certificate of Incorporation Number U32301AP2008PTC059758 issued by the Registrar of Companies, Andhra Pradesh on 20.06.2008 after complying with the relevant provisions under the Companies Act, 1956. (Hereinafter referred to as **1<sup>st</sup> Transferor Company**)

**Main Objects:**

- (a) To Carry on the business of production, distribution or otherwise dealing in films, cinemas, movies, motion pictures, television entertainment, animation, portals, internet portals, television, film distribution, film exhibition, event management, advertising, entertainment shows, play, drama, audio music, creation of animation characters, creation of internet portals and brand values through animation character and artists, documentaries.
- (b) To design, develop, install, distribute, retail, provide, maintain, support, and service for internet portals and exchanges for e commerce, networking, creation of audio, video, animation, entertainment and other content such as Films, games for viewing through internet and / or computer, or any similar electronic / digital distribution or display systems or communication channels.
- (c) To carry on the business of producers, exporters, importers, hirers, dealers, distributors, exhibitors or in any other capacity in films and cinematographic films.

3. **“M/s Palpremium Online Media Private Limited” (POMPL)** was incorporated under the provisions of Companies Act, 1956, in the State of Andhra Pradesh, Hyderabad vide Certificate of Incorporation Number U22222AP2011PTC073292 issued by the Registrar of Companies, Andhra Pradesh on 15.03.2011 after complying with the relevant provisions under the Companies Act, 1956. (Hereinafter referred to as **2<sup>nd</sup> Transferor Company**).

**Main Objects:**

- (a) To carry on the business of online media & marketing services for clients.

- (b) To carry on the business of website and application development for clients.
- (c) To carry on the business of develop in house web portals in different areas but not limited to electronics, education and health care and generate revenues via selling leads, ad space and products.
- (d) To carry on the business of advertising agents and purchase and sell advertising time or space on any radio station, television centre, internet or any other media in India or global which may be in vogue at any time including newspapers, souvenirs, hoardings, neon Signs and other display devices of all kinds and descriptions to promote the sale or any other interest of trade and industry and to deal in all kinds of equipment and material required for the purpose of carrying on the business of advertising agents and contractors.

**(C) RATIONALE AND PURPOSE OF THE SCHEME**

1. Considering the present business model, the future revenues and the other business factors, the Board of Directors of the Company felt that the present shareholders funds of the Company are in excess of its requirements which could not be effectively deployed in the business. Hence, the Board decided to reduce 50% of the paid up share capital of the Company by cancelling and extinguishing 50% of the shares of the Company of face value of Rs. 05/- (Rupees Five only) each and by returning to the shareholders an amount of Rs. 29/- (Rupees Twenty Nine only) per share.
2. After an analysis of the various options available to the Company, the Board felt that the restructuring of the Company's existing share capital along with securities premium and reserves becomes imperative. In the present scenario, the reduction in the equity share capital by returning the excess share capital, securities premium and reserves to the shareholders is the most practical and economically efficient option available to the Company.
3. Keeping in view the proposed reorganization and capital reduction of the Transferee Company, the Transferee Company proposes to enhance its business operation activities by way of amalgamation of two other Companies belonging to the same group with the Transferee Company.
4. As PTL, the Transferee Company, intends to foray into media and entertainment industry and also into the business of online marketing services, the proposed Amalgamation of PMEPL, the 1<sup>st</sup> Transferor Company and POMPL, the 2<sup>nd</sup> Transferor Company into PTL the Transferee Company, would provide easy and readymade access to PTL to the respective businesses and would enable PTL to participate in the said businesses more vigorously and enhance its competitiveness in an increasingly competitive market particularly keeping in view the technical infrastructure, IPRs, technical capabilities and technologies built in by PMEPL and POMPL.
5. The following are the benefits arising out of the Scheme of Arrangement:
 

Upon Reorganization and Capital Reduction of the Transferee Company:

  - (a) The excess shareholders funds of the Transferee Company will be returned to the shareholders.

(b) The Transferee Company's financial position will be more accurate after the reorganization and capital reduction and the excess funds remaining unutilized will be returned to the shareholders on proportionate basis.

(c) The Shareholders of the Transferee Company will get the true and fair return on their investment along with the premium.

Upon Amalgamation of Transferor Companies into Transferee Company:

(d) The Merger of Transferor Companies into the Transferee Company will help the Transferee Company to achieve better efficiency and streamlined management control and operation of businesses and activities, and would enable the combined entity to participate more vigorously and profitably in an increasing competitive market.

(e) Greater integration and flexibility for the amalgamated entity, will improve the competitive position of the combined entity.

(f) Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

(g) Amalgamation will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically the amalgamation will enable optimal utilization of existing resources and provide an opportunity to fully leverage the assets, capabilities, experience, expertise and infrastructure of the Companies.

(h) The Transferee Company and as well as Transferor Companies share common fundamental management philosophies. The Companies also share common corporate values.

(i) This Scheme of Arrangement, if approved, will be beneficial to all the companies, their shareholders, creditors, employees and all concerned and will enable them to achieve and fulfill their objective through the combined entity more efficiently and economically.

#### **(D) SCOPE OF THE SCHEME**

The Scheme of Arrangement provides for:

1. Reduction and consolidation of Equity Share Capital of Palred Technologies Limited.
2. Amalgamation of Palred Media and Entertainment Private Limited and Palpremium Online Media Private Limited into Palred Technologies Limited.
3. The consequent issue of equity shares by the Transferee Company to the shareholders of each of the Transferee Company pursuant to the provisions of sections 391 to 394 and other relevant provisions of the Companies Act, 1956.

4. The Scheme of Arrangement also provides for various other matters consequential, supplemental and / or otherwise integrally connected therewith.
5. The Scheme, in so far as it deals with Amalgamation has been drawn to comply with the conditions as specified under section 2(1B) of Income Tax Act, 1961, such that:
  - (a) All the property of the Transferor Companies immediately before the amalgamation becomes the property of the Transferee Company by virtue of the amalgamation.
  - (b) All the liabilities of the Transferor Companies immediately before the amalgamation become the liabilities of the Transferee Company by virtue of the amalgamation.
  - (c) Shareholders holding not less than nine-tenths in value of the shares in the Transferor Companies become shareholders of the Transferee Company by virtue of the amalgamation.

**(E) PARTS OF THE SCHEME:**

**PART A:** Deals with Definitions and Share Capital.

**PART B:** Deals with Reorganization and Capital Reduction of "PTL" (the Transferee Company).

**PART C:** Deals with Amalgamation of "PMEPL" (1<sup>st</sup> Transferor Company) and "POMPL" (2<sup>nd</sup> Transferor Company) into "PTL" (the Transferee Company).

**PART D:** Deals with Accounting Treatment and Dissolution of Transferor Companies.

**PART E:** Deals with General Clauses, Terms and Conditions.

**PART A**  
**DEFINITIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

In the Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meaning:

- 1.1 **'Act' or 'the Act'** means the companies Act, 1956 or as the case may be, the Companies Act, 2013 (to the extent applicable) and every modification or re-enactment thereof and references to sections of the Act shall be deemed to mean and include reference to sections enacted in modification or replacement thereof.
- 1.2 **'Amalgamation'** means the blending of the Transferor Companies into the Transferee Company, the shareholders of each Transferor Company becoming, substantially, the shareholders of the Transferee Company.
- 1.3 **'Appointed Date'** means the 1<sup>st</sup> day of December, 2013 or such other date as may be fixed or approved by the High Court or any other appropriate authority.

- 1.4 'Board of Directors' or 'Board'** in relation to Palred Technologies Limited, Palred Media and Entertainment Private Limited and Palpremium Online Media Private Limited as the case may be, shall, unless it be repugnant to the context or otherwise, includes a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.
- 1.5 'Court' or 'High Court'** means the Hon'ble High Court of Judicature of Andhra Pradesh at Hyderabad or such other tribunal or authority having jurisdictions to sanction the Scheme.
- 1.6 'Effective Date'** means the date on which the certified copy of the order passed by the High Court sanctioning the Scheme is filed with the Registrar of Companies of Hyderabad, Andhra Pradesh. Any references in the Scheme to **"upon the Scheme becoming effective"** or **"effectiveness of the Scheme"** or **"Scheme coming into effect"** shall mean the **"Effective Date"**.
- 1.7 'Record Date'** means the date to be fixed, after the effective date, by the Board of Directors of the Transferee Company for the purpose of determining the shareholders whose shares are to be reduced in accordance with the provisions of this Scheme and includes the dates fixed by the Board of Directors of each of the Transferor Companies for the purpose of determining the shareholders to whom the new shares of the Transferee Company shall be issued and allotted pursuant to the provisions of this Scheme.
- 1.8 'Scheme of Arrangement' or 'Composite Scheme of Arrangement' or 'Scheme' or 'the Scheme' or 'this Scheme'** means this Composite Scheme of Arrangement in its present form submitted to the High Court or any other appropriate authority or with any modification(s) made under Clause 21 of this Scheme.
- 1.9 'Shareholders'** means the persons registered (whether registered owner of the shares or beneficial owner of the shares) as holders of equity shares of company concerned.
- 1.10 'Shares'** means the Equity shares of Rs. 10/- each or as the case may be, Equity shares of Rs. 5/- each of the company concerned unless otherwise specified in the context thereof.
- 1.11 'Stock Exchanges'** means the BSE Limited and National Stock Exchange of India Limited. The Designated Stock Exchange shall be BSE Limited.
- 1.12 'Transferee Company' or 'PTL'** means Palred Technologies Limited having its shares Listed on the Stock Exchanges and having its registered office situated at H. No. 8-2-703/2/B, Plot. No. 2, Road No.12, Banjara Hills, Hyderabad – 500034 Andhra Pradesh. (CIN: L72200AP1999PLC033131).
- 1.13 '1<sup>st</sup> Transferor Company' or 'PMEPL'** means Palred Media and Entertainment Private Limited having its registered office situated at H. No. 8-2-703/2/B, Plot. No. 2, Road No.12, Banjara Hills, Hyderabad – 500034 Andhra Pradesh. (CIN: U32301AP2008PTC059758).

**1.14 '2<sup>nd</sup> Transferor Company' or 'POMPL'** means Palpremium Online Media Private Limited having its registered office situated at H. No. 8-2-703/2/B, Plot. No. 2, Road No.12, Banjara Hills, Hyderabad – 500034 Andhra Pradesh. (CIN: U22222AP2011PTC073292).

**1.15 'Transferor Companies'** means collectively, the 1<sup>st</sup> Transferor Company and the 2<sup>nd</sup> Transferor Company and the term **'Transferor Company'** means any of the Transferor Company as the context may admit.

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 Income-tax Act, 1961 or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form is subject to any modification(s) approved or imposed or directed by the Hon'ble High Court, unless otherwise specified in the Scheme, shall be operative from the Appointed Date but shall be effective from the Effective Date.

## 3. SHARE CAPITAL

**3.1 The share capital of the Transferee Company as at 30.11.2013 is as under:**

PARTICULARS	AMOUNT IN RS.
<b>AUTHORISED CAPITAL</b>	
5,60,77,600 Equity Shares of Rs. 05/- each	28,03,88,000
6,96,120 14% redeemable optionally convertible cumulative preference shares of Rs. 100/- each	6,96,12,000
<b>TOTAL</b>	<b>35,00,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>	
3,90,36,970 Equity Shares of Rs. 05/- each	19,51,84,850
<b>TOTAL</b>	<b>19,51,84,850</b>

Subsequent to 30.11.2013 and up to the date of approval of the Scheme by the Board of Transferee Company, there has been no change in the authorized, issued, subscribed and paid up capital of the Transferee Company.

**3.2 The share capital of the 1<sup>st</sup> Transferor Company as at 30.11.2013 is as under:**

PARTICULARS	AMOUNT IN RS.
<b>AUTHORISED CAPITAL</b>	
70,00,000 Equity Shares of Rs. 10/- each	7,00,00,000
<b>TOTAL</b>	<b>7,00,00,000</b>

<b>ISSUED AND SUBSCRIBED CAPITAL</b>	
60,70,399 Equity Shares of Rs.10/- each	6,07,03,990
<b>TOTAL</b>	<b>6,07,03,990</b>
<b>PAID UP CAPITAL</b>	
13,54,699 Equity Shares of Rs.10/- each fully paid up	1,35,46,990
<b>Add:</b> Shares forfeiture Account	7,09,453
<b>TOTAL</b>	<b>1,42,56,443</b>

Subsequent to 31.03.2013 the 1<sup>st</sup> Transferor Company allotted 7,60,000 (Seven Lakhs Sixty Thousand) equity shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 76,00,000/- (Rupees Seventy Six Lakhs only) to applicants whose application money was pending with Company for allotment of shares. Consequent upon allotment of shares the paid up share capital of the Company increased to Rs. 1,35,46,990/- (Rupees One Crore Thirty Five Lakhs Forty Six Thousand Nine Hundred and Ninety only). The Company also forfeited 2,64,313 partly paid up equity shares of Rs. 10/- each, on which Rs. 1/- was paid up and 44,51,386 partly paid up equity shares of Rs. 10/- each, on which Rs. 0.10/- was paid up aggregating to Rs. 7,09,453/- (Rupees Seven Lakhs Nine Thousand Four Hundred and Fifty Three only) by virtue of which the paid capital of the company again increased to Rs. 1,42,56,443/- (1,35,46,990 + 7,09,453).

### 3.3 The share capital of the 2<sup>nd</sup> Transferor Company as at 30.11.2013 is as under:

PARTICULARS	AMOUNT IN RS.
<b>AUTHORISED CAPITAL</b>	
1,00,000 Equity Shares of Rs. 10/- each	10,00,000
<b>TOTAL</b>	<b>10,00,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>	
1,00,000 Equity Shares of Rs. 10/- each fully paid up	10,00,000
<b>TOTAL</b>	<b>10,00,000</b>

Subsequent to 30.11.2013 and up to the date of approval of the Scheme by the Board of 2<sup>nd</sup> Transferor Company, there has been no change in the authorized, issued, subscribed and paid up capital of the 2<sup>nd</sup> Transferor Company.

## **PART B**

### **REORGANIZATION AND CAPITAL REDUCTION OF "PTL" (THE TRANSFEEE COMPANY)**

#### **4. REORGANIZATION AND CAPITAL REDUCTION**

**4.1** Upon the Scheme becoming effective and after obtaining the necessary approvals, consents, permissions etc, the subscribed, issued and paid up equity share capital of the Transferee Company will be reduced from Rs. 19,51,84,850/- (Rupees Nineteen Crores Fifty One Lakhs Eighty Four Thousand Eight Hundred and Fifty only) divided into 3,90,36,970 (Three Crores Ninety Lakhs



Thirty Six Thousand Nine Hundred and Seventy only) equity shares of Rs. 05/- (Rupees Five only) each to Rs. 9,75,92,425/- (Rupees Nine Crores Seventy Five Lakhs Ninety Two Thousand Four Hundred and Twenty Five only) divided into 1,95,18,485 (One Crore Ninety Five Lakhs Eighteen Thousand Four Hundred and Eighty Five only) fully paid up equity shares of Rs. 05/- (Rupees Five only) each by cancelling and extinguishing paid up equity share capital of Rs. 9,75,92,425/- (Rupees Nine Crores Seventy Five Lakhs Ninety Two Thousand Four Hundred and Twenty Five only) divided into 1,95,18,485 (One Crore Ninety Five Lakhs Eighteen Thousand Four Hundred and Eighty Five only) equity shares of Rs. 05/- (Rupees Five only) each.

- 4.2** The aforesaid reduction of paid up share capital shall be effected by cancelling and extinguishing upto 1,95,18,485 (One Crore Ninety Five Lakhs Eighteen Thousand Four Hundred and Eighty Five only) equity shares of Rs. 05/- (Rupees Five only) each on proportionate basis, constituting up to **50 %** of the existing paid-up share capital of the Company and returning to the shareholders an amount of Rs. 29/- (Rupees Twenty Nine only) per equity share of Rs. 05/- (Rupees Five only) each so cancelled and extinguished at a premium of Rs. 24/- (Rupees Twenty Four only).

**For example:** If any person, who is a shareholder of the company as on the record date, holding 100 (Hundred) equity shares of Rs. 05/- (Rupees Five only) each aggregating to Rs. 500/- (Rupees Five Hundred only) shall be paid an amount of Rs. 1450/- and he shall hold after the reduction, 50 (Fifty) equity shares of Rs. 05/- (Rupees Five only) each aggregating to Rs. 250/- (Rupees Two Hundred and Fifty only)

- 4.3** The aforesaid reduction in the subscribed, issued and paid up equity share capital of the Company, shall be effected on a proportionate basis in proportion to the shares held, on the record date by the shareholders in the existing paid up capital of the Company and in respect of the fractional shares, if any, caused by the Scheme, the same shall be transferred, without requiring any further action either on behalf of such shareholder or the Transferee Company, to a Trust formed for this purpose and the fractional shares shall be consolidated. The Independent Directors of the Transferee Company shall manage this Trust and the Compliance Officer / Company Secretary of the Company shall be the Secretary of the Trust and shall assist the Independent Directors in managing the affairs of the Trust. This Trust shall sell the consolidated shares in the market at the best available price in one or more lots. The decision of the Trust as to the timing and method of the sale and the price at which such sale has been given effect to, in that behalf shall be final and binding on all concerned. The Trust shall hold the net sale proceeds of all such shares after defraying there from all costs, charges and expenses of such sale and shall thereafter distribute such sale proceeds to the members of the Transferee Company in proportion to their fractional entitlements.
- 4.4** The Premium of Rs. 24/- per share on reduction of share capital, to the shareholders of the Transferee Company, shall be discharged in the following priority:
- (a) From General Reserves.

(b) Balance, if any, from the Securities Premium Account.

**4.5** Further, the authorized share capital of the Company of Rs. 35,00,00,000 (Rupees Thirty Five Crores only) divided into 5,60,77,600 (Five Crores Sixty Lakhs Seventy Seven Thousand and Six Hundred) Equity Shares of Rs. 05/- (Rupees Five only) each and 6,96,120 (Six Lakhs Ninety Six Thousand One Hundred and Twenty only) 14% redeemable optionally convertible cumulative preference shares of Rs. 100/- (Rupees Hundred only) each shall be consolidated into the authorized share capital of Rs. 35,00,00,000 (Rupees Thirty Five Crores only) divided into 2,80,38,800 (Two Crores Eighty Lakhs Thirty Eight Thousand and Eight Hundred) Equity Shares of Rs. 10/- (Rupees Ten only) each and 6,96,120 (Six Lakhs Ninety Six Thousand One Hundred and Twenty only) 14% redeemable optionally convertible cumulative preference shares of Rs. 100/- (Rupees Hundred only) each and the paid up Equity Share Capital of the Company of Rs. 9,75,92,425/- (Rupees Nine Crores Seventy Five Lakhs Ninety Two Thousand Four Hundred and Twenty Five only) divided into 1,95,18,485 (One Crore Ninety Five Lakhs Eighteen Thousand Four Hundred and Eighty Five only) equity shares of Rs. 05/- (Rupees Five only) each shall be consolidated into the Equity Share Capital of Rs. 9,75,92,420/- (Rupees Nine Crores Seventy Five Lakhs Ninety Two Thousand Four Hundred and Twenty only) divided into 97,59,242 (Ninety Seven Lakhs Fifty Nine Thousand Two Hundred and Forty Two) Equity Shares of Rs. 10/- (Rupees Ten only) each.

**For example:** If a shareholder, after the reduction as stated in the clauses 4.1 to 4.3, holds 50 (Fifty) equity shares of Rs. 05/- (Rupees Five only) each aggregating to Rs. 250/- (Rupees Two Hundred and Fifty only) he will get 25 (Twenty five) equity shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 250/- (Rupees Two Hundred and Fifty only) after the consolidation.

**4.6** The reduction of paid up equity share capital along with the Securities Premium Account and reserves of the Transferee Company as aforesaid shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78 and Sections 100 to 103 of the Act and the Order of the Hon'ble High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve diminution of liability in respect of unpaid share capital but payment of paid-up equity share capital to the shareholders of the Transferee Company. No prejudice will be caused to shareholders and creditors of the Transferee Company by the aforesaid reduction.

### PART C

#### AMALGAMATION OF "PMEPL" (1<sup>ST</sup> TRANSFEROR COMPANY) AND "POMPL" (2<sup>ND</sup> TRANSFEROR COMPANY) INTO "PTL" (THE TRANSFEREE COMPANY)

#### 5. TRANSFER OF UNDERTAKING

**5.1** Subject to the provisions of this Scheme as specified herein and with effect from the Appointed Date, the entire Undertaking of the Transferor Companies shall be transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company in the following manner:

- (a)** The Undertaking of the Transferor Companies comprising of business, all assets and liabilities of whatsoever nature and where so ever situated, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, without any further act or deed (save as provided in sub clauses (b) (c) and (d) below) 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 the Undertaking of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Companies therein.
- (b)** All the Immovable properties, if any, of the Transferor Companies, shall under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the Properties of the Transferee Company.
- (c)** All the movable assets including but not limited to computers, office equipments, T.V. camera, software, IPRs, products, websites, portals, online e commerce platforms, inventories, merchandising rights, cash in hand, Loans and Advances, of the Transferor Companies capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company.
- (d)** In respect of movables other than those specified in sub clause (b) above, including, outstanding loans and advances, Investments (whether Current or non – current), trade receivables, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be transferred to and stand vested in and /or be deemed to be transferred to and stand vested in the Transferee company under the provisions of Sections 391 to 394 of the Act.
- (e)** In relation to the rights, privileges and licenses including rights arising from contracts, deeds, licenses instruments and agreements, if any, belonging to the Transferor Companies, which require separate documents of transfer including documents for attornment or endorsement, as the case may be, the Transferee Company will execute the necessary documents of transfer including documents for attornment or endorsement, as the case maybe, as and when required.
- (f)** All debts, liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the balance sheet of the Transferor Companies shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties

and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or restructuring by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub clause.

**(g)** In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed (including credit on account of tax on book profits, sales tax, excise duty, custom duty, service tax, value added tax and other incentives), granted by any Government body, local authority or by any other person and availed by the Transferor Companies, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

**5.2** The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Companies, to implement and carry out all formalities and compliances, if required, referred to above.

**5.3** Any tax liabilities under the Income-tax Act, 1961, service tax laws, customs law or other applicable laws/ regulations dealing with taxes/ duties / levies of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date, if any, shall be transferred to Transferee Company.

**5.4** Any refund under the Income-tax Act, 1961, Wealth-tax Act, 1957, service tax laws or other applicable laws / regulations dealing with taxes/ duties / levies tax due to Transferor Companies consequent to the assessment made on Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

**5.5** On or after the Effective Date, all rights, entitlements and powers to revise returns and filings of the Transferor Companies under the Income-tax Act, 1961, service tax laws and other laws, and to claim refunds and / or credits for taxes paid, etc. and for matters incidental thereto, shall be available to, and vest with the Transferee Company.

**5.6** 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 against the relevant Transferor Company and from the Effective Date, the same 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.

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 into the Transferee Company or anything contained in the Scheme.

**5.7** All the tax payments (including, without limitation payments under the Income-Tax Act, 1961 Service Tax law, and other laws) whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by Transferor Companies on transactions with the Transferee Company, if any (from Appointed Date till Effective Date) shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings be dealt with accordingly.

**5.8** Obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies under the Income-tax Act, 1961, service tax laws, or other applicable laws / regulations dealing with taxes/ duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.

## **6. LEGAL PROCEEDINGS**

**6.1** Upon the Scheme becoming effective, all legal and other proceedings, including before any statutory or quasi-judicial authority or tribunal of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date, shall be continued and enforced by or against the Transferee Company only, to the exclusion of the Transferor Companies in the manner and to the same extent as would have been continued and enforced by or against the Transferor Companies. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal 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.

**6.2** After the Appointed Date, if any proceedings are taken against any of the Transferor Company the same shall be defended by and at the cost of the Transferee Company.

## **7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, lease agreements, leave and license agreements, licenses, engagements, certificates, media rights, satellite rights, permissions, consents, approvals, concessions, and incentives (including but not limited to benefits under the Income-tax Act, 1961, service tax, and other laws), remissions, remedies, subsidies, guarantees, licences and other instruments, if any, of whatsoever nature to which the Transferor Companies are party and which have not lapsed and are subsisting or having effect on the Effective Date shall be in full force, effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite restructurings, confirmations or novations, to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be

deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

#### **8. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of undertaking under clause 5 above and the continuance proceedings by or against the Transferee Company under clause 6 above and the effectiveness of the contracts and deeds under clause 7 shall not affect any transactions and proceedings or contracts or deeds already concluded by the Transferor Companies on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto a done and executed on behalf of itself.

#### **9. STAFF, WORKMEN AND EMPLOYEES**

On the Scheme coming into effect, all staff, workmen and employees of the Transferor Companies in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Effective Date without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Companies on the Effective Date and such of those labour legislations in so far as they are applicable to the Transferor Companies in relation to its workmen and employees shall be applicable to the Transferee Company.

#### **10. BUSINESS AND PROPERTY IN TRUST FOR TRANSFEEE COMPANY**

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

- (a) The Transferor Companies shall carry on and be deemed to have carried on their respective businesses and activities and shall stand possessed of their Undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- (b) Any income or profit accruing or arising to the Transferor Companies and all costs, charges, expenses and losses or taxes incurred by the Transferor Companies shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.
- (c) All liabilities debts, duties, obligations which arise or accrue to the Transferor Companies on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company.

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

**11.1** With effect from the Appointed Date and up to the Effective Date:

(a) The Transferor Companies shall carry on their respective businesses with reasonable diligence and in the same manner as they had been doing hitherto fore, and the Transferor Companies shall not alter or substantially expand their respective businesses except with the written concurrence of the Transferee Company.

**11.2** With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Companies.**12. CONSIDERATION****12.1** Upon the Scheme finally coming into effect and in consideration of the transfer of all the said assets and liabilities of the Transferor Companies to the Transferee Company in terms of provisions of the Scheme, the Transferee Company shall, without any further application or deed, issue and allot Equity Share(s) of the face value of Rs. 10/- each in the Transferee Company, credited as fully paid up, to the members of each of the Transferor Companies whose names appear in the Register of members as on a particular date (Record Date), to be fixed by the Board of Directors of the Transferor Companies, in the following ratio:

“4 (Four) Equity Shares of Rs. 10/- each aggregating to Rs. 40/-, credited as fully paid-up in the Transferee Company for every 10 (Ten) Equity Share of Rs. 10/- each aggregating to Rs. 100/- held in the 1<sup>st</sup> Transferor Company. Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.”

“37 (Thirty Seven) Equity Shares of Rs. 10/- each aggregating to Rs. 370/-, credited as fully paid-up in the Transferee Company for every 10 (Ten) Equity Share of Rs. 10/- each aggregating to Rs. 100/- held in the 2<sup>nd</sup> Transferor Company. Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.”

**12.2** The Equity Shares to be issued in terms of the above clause shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company. The new Equity Shares shall rank pari-passu in all respects, including dividend, with the existing Equity Shares of the Transferee Company.**12.3** The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval u/s 81(1A) of the Act and other applicable provisions, if any, for issue of fresh Equity Shares to the Members of the Transferor Companies.**12.4** Upon this Scheme coming into effect, the shareholders of each of the Transferor Companies shall surrender their share certificates for cancellation thereof to the Transferee Company. Further, notwithstanding anything to the contrary, upon the new shares in the Transferee Company being issued and allotted by it to the eligible shareholders of each of the Transferor Companies whose

names shall appear on the respective Register of Members of the Transferor Companies on the Record Date, the share certificates in relation to the shares held by them in the Transferor Companies shall be deemed to have been cancelled and shall be of no effect on and from such Record Date.

**PART D**  
**ACCOUNTING TREATMENT AND DISSOLUTION OF TRANSFEROR COMPANIES**

**13. ACCOUNTING TREATMENT**

On this Scheme becoming effective, the Transferee Company shall account for the amalgamation as per the 'Pooling of Interest Method' of Accounting prescribed under Accounting Standard 14 "Accounting for Amalgamation" issued by the Institute of Chartered Accountants of India such that:

- 13.1** Upon the Scheme becoming effective and with effect from the Appointed Date, Transferee Company shall, record all the assets and liabilities of each of the Transferor Companies vested in it pursuant to this scheme, at their respective book values as appearing in the books of each of the Transferor Companies.
- 13.2** Inter-corporate deposits / loans and advances, if any, outstanding between the Transferee Company and any of the Transferor Companies inter-se shall stand cancelled and there shall be no further obligation / outstanding in that behalf. Any difference arising on such cancellation should be adjusted in accumulated balance of the Profit and Loss Account of the Transferee Company.
- 13.3** The difference, if any, of the value of the assets over the value of the liabilities and reserves of the Transferor Companies vested in the Transferee Company pursuant to this Scheme and recorded in the books of account of the Transferee Company shall be adjusted to the Reserves in the Balance Sheet of the Transferee Company. In terms of the provisions of the Accounting Standard 14, any surplus/deficit arising out of Amalgamation shall be adjusted in the Reserves of the Transferee Company.
- 13.4** The Transferee Company shall abide by the pooling of interest method referred to in Accounting Standard 14 – 'Accounting for Amalgamation' issued by the Institute of Chartered Accountants of India, subject to provisions of this Scheme.
- 13.5** In case of any differences in accounting policy between any of the Transferor Companies and Transferee Company, the accounting policies followed by Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted against Profit and Loss Account, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.



**13.6** Notwithstanding the above, the Transferee Company in consultation with its Auditors, is authorized to account any of this balances in any manner, whatsoever if considered appropriate.

#### **14. DISSOLUTION OF THE TRANSFEROR COMPANIES**

On the Scheme coming into effect, both the Transferor Companies (i.e. Palred Media and Entertainment Private Limited and Palpremium Online Media Private Limited) shall, without any further act or deed, stand dissolved without going through the process of winding up.

### **PART E**

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

#### **15. CLUBBING OF AUTHORISED CAPITAL**

Upon this Scheme becoming effective, the authorized share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the 1<sup>st</sup> Transferor Company and 2<sup>nd</sup> Transferor Company amounting to Rs. 7,00,00,000/- (Rupees Seven Crores only) comprising of 70,00,000 equity shares of Rs. 10/- (Rupees Ten only) each and Rs. 10,00,000/- (Rupees Ten Lakhs only) comprising of 1,00,000 equity shares of Rs. 10/- (Rupees Ten only) each respectively.

#### **16. ALTERATION OF MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEE COMPANY**

**16.1** The Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 16, 31, 94 and other applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorized share capital of the Transferor Companies shall be utilized and applied to the increased authorized share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorized share capital to that extent.

**16.2** Accordingly as stated supra upon the Scheme becoming effective the Authorized Share Capital of the Transferee Company shall stand Increased to Rs. 42,10,00,000/- divided into 3,51,38,800 equity shares of Rs. 10/- each and 6,96,120 14% redeemable optionally convertible cumulative preference shares of Rs. 100/- each without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies.

#### **17. ALTERATION OF MAIN OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY**

**17.1** Upon this Scheme becoming effective, the Object Clause of Memorandum of Association of Transferee Company will be altered and amended by inserting following new sub-clauses 4 to 10 immediately after the existing sub - clause 3 under Clause III(A) of the Memorandum of Association of Transferee Company:

4. "To Carry on the business of production, distribution or otherwise dealing in films, cinemas, movies, motion pictures, television entertainment, animation portals, internet portals, television, film distribution, film exhibition, event management, advertising entertainment shows, play, drama, audio music, creation of animation characters, creation of internet portals and brand values through animation character and artists, documentaries."
5. "To design, develop, install, distribute, retail, provide, maintain, support, and service for internet portals and exchanges for e commerce, networking, creation of audio, video, animation, entertainment and other content such as Films, games for viewing through internet and / or computer, or any similar electronic / digital distribution or display systems or communication channels."
6. "To carry on the business of producers, exporters, hirers, dealers, distributors, exhibitors or in any other capacity in films and cinematographic films."
7. "To carry on the business of online media & marketing services for clients."
8. "To carry on the business of website and application development for clients."
9. "To carry on the business of developing house web portals in different areas but not limited to electronics, education and health care and generate revenues via selling leads, ad space and products."
10. "To carry on the business of advertising agents and purchase and sell advertising time or space on any radio station, television centre, internet or any other media in India or global which may be in vogue at any time including newspapers, souvenirs, hoardings, neon Signs and other display devices of all kinds and descriptions to promote the sale or any other interest of trade and industry and to deal in all kinds of equipment and material required for the purpose of carrying on the business of advertising agents and contractors."

**17.2** The above shall be effected as an integral part of the Scheme and shall be deemed to be in due compliance of the applicable provision of the Act, the consent of the shareholders to the Scheme shall be deemed to be sufficient compliance under the Act and for the purposes of effecting this amendment, and no further resolution(s) under Sections 16 and 17 or other applicable provisions of the Act would be required to be separately passed.

## **18. APPLICATION TO THE HIGH COURT OR SUCH OTHER APPROPRIATE AUTHORITY**

**18.1** The Transferor Companies and the Transferee Company shall, with all reasonable diligence, make applications / petitions to the High Court or such other appropriate authority under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meeting (s) of the respective classes of the members and/or creditors of each of the Transferor Companies and the Transferee Company as may be directed by the High Court or such other appropriate authority.

**18.2** On the Scheme being agreed to by the requisite majorities of the classes of the members and/or creditors of the Transferor Companies and the Transferee Company as directed by the High Court or such other appropriate authority, the Transferor Companies and the Transferee Company shall, with all reasonable diligence, apply to the High Court or such other appropriate authority for sanctioning the Scheme of Amalgamation under Sections 391 to 394 and for such other order or orders, as the said High Court or such other appropriate authority may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Companies without winding-up.

**19. APPROVAL OF THE SCHEME BY THE SHAREHOLDERS OF THE TRANSFEE COMPANY THROUGH POSTAL BALLOT AND E VOTING (PUSUANT TO THE CIRCULAR ISSUED BY SEBI DATED 4<sup>TH</sup> FEBRUARY, 2013 READ WITH THE CIRCULAR DATED 21<sup>ST</sup> MAY, 2013 FOR LISTED COMPANIES)**

**19.1** The Approval to this Scheme of Arrangement shall be obtained from the shareholders of the Palred Technologies Limited (Transferee Company) through the postal ballot and e-voting.

**19.2** The Scheme shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.

**20. CONDITIONALITY OF THE SCHEME**

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

- The Scheme being agreed to by the requisite majority of the respective members and / or creditors of the Transferor Companies and of the Transferee Company.
- The Scheme being approved by the High Court under Sections 391 to 394 and all the other applicable provisions if any, of the Companies Act, 1956.
- The certified copy of the order of the High Court sanctioning this Scheme being filed with the Registrar of Companies Andhra Pradesh, Hyderabad.
- All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

**21. MODIFICATIONS / AMENDMENTS TO THE SCHEME**

The Transferee Company and Transferor Companies by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, may make and / or consent to any modifications / amendments to this Scheme or to any conditions or limitations that

the Hon'ble High Court or any other appropriate authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or the Board, including the withdrawal of this Scheme. The Board of Directors of the respective Companies shall take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, including interpretation of the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and /or any matter concerned or connected therewith. The power of the Board to modify / amend the Scheme shall be subject to the approval of the High Court.

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

In the event of any of the said sanctions and approvals referred to in Clause 18 and 19 above not being obtained (unless otherwise released by the Board of Directors) and / or the Scheme not being sanctioned by the Hon'ble High Court or such other competent authority as aforesaid, 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.

## **23. SEVERABILITY**

If any part of this Scheme hereof is invalid, ruled illegal by any Appropriate Authority of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part. The Boards of Directors of Transferor Companies and Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect, if the Boards of Directors are of view that the coming into effect of the Scheme could have adverse implications on any of Transferor Companies and/ or Transferee Company.

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

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

**SCHEDULE**

The present subscribed, issued and paid up equity share capital of the M/s Palred Technologies Limited (Transferee Company) is Rs. 19,51,84,850/- (Rupees Nineteen Crores Fifty One Lakhs Eighty Four Thousand Eight Hundred and Fifty only) divided into 3,90,36,970 (Three Crores Ninety Lakhs Thirty Six Thousand Nine Hundred and Seventy only) equity shares of Rs. 05/- (Rupees Five only) each and reduced to Rs. 9,75,92,425/- (Rupees Nine Crores Seventy Five Lakhs Ninety Two Thousand Four Hundred and Twenty Five only) divided into 1,95,18,485 (One Crore Ninety Five Lakhs Eighteen Thousand Four Hundred and Eighty Five only) equity shares of Rs. 05/- (Rupees Five only) each by cancelling and Extinguishing paid equity share capital of Rs. 9,75,92,425/- (Rupees Nine Crores Seventy Five Lakhs Ninety Two Thousand Four Hundred and Twenty Five only) divided into 1,95,18,485 (One Crore Ninety Five Lakhs Eighteen Thousand Four Hundred and Eighty Five only) equity shares of Rs. 05/- (Rupees Five only) each.

The Equity Share Capital of the Company of Rs. 9,75,92,425/- (Rupees Nine Crores Seventy Five Lakhs Ninety Two Thousand Four Hundred and Twenty Five only) divided into 1,95,18,485 (One Crore Ninety Five Lakhs Eighteen Thousand Four Hundred and Eighty Five only) equity shares of Rs. 05/- (Rupees Five only) each after reduction shall be consolidated into the Equity Share Capital of Rs. 9,75,92,420/- (Rupees Nine Crores Seventy Five Lakhs Ninety Two Thousand Four Hundred and Twenty only) divided into 97,59,242 (Ninety Seven Lakhs Fifty Nine Thousand Two Hundred and Forty Two) Equity Shares of Rs. 10/- (Rupees Ten only) each.

The Transferee Company shall issue and allot 5,41,880 (Five Lakhs Forty One Thousand Eight Hundred and Eighty) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 54,18,800/- (Rupees Fifty Four Lakhs Eighteen Thousand Eight Hundred only) to the shareholders of the 1<sup>st</sup> Transferor Company and upon such allotment the paid share capital of the Company will come to Rs.10,30,11,220 (Rupees Ten Crores Thirty Lakhs Eleven Thousand Two Hundred and Twenty only) divided into 1,03,01,122 (One Crore Three Lakhs One Thousand One Hundred and Twenty Two ) Equity Shares of Rs. 10/- (Rupees Ten only) each.

The Transferee Company shall issue and allot 3,70,000 (Three Lakhs Seventy Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each aggregating to Rs. 37,00,000/- (Rupees Thirty Seven Lakhs only) to the shareholders of the 2<sup>nd</sup> Transferor Company and the paid share capital of the Company will come to Rs. 10,67,11,220/- (Rupees Ten Crores Sixty Seven Lakhs Eleven Thousand Two Hundred and Twenty only) divided into 1,06,71,122 (One Crore Six lakhs Seventy One Thousand One Hundred and Twenty Two) Equity Shares of Rs. 10/- (Rupees Ten only) each.

The aforementioned schedule is only indicative and actual no. of Shares that may be reduced and consolidated may vary or change in case any odd lot shares caused or transferred to the Trust due to the

capital restructuring exercise pursuant to Part B of this Scheme or due to Amalgamation exercise pursuant to Part C of this Scheme.