

SCHEME OF ARRANGEMENT

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

AMONG

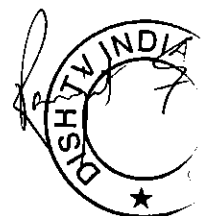
VIDEOCON D2H LIMITED (“TRANSFEROR COMPANY”)

AND

DISH TV INDIA LIMITED (“TRANSFeree COMPANY”)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS



INTRODUCTION

A. PREAMBLE

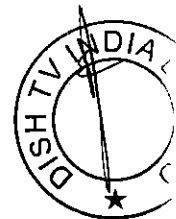
This Scheme of Arrangement (“**Scheme**”) for amalgamation is presented under the provisions of Sections 391 to 394 of the 1956 Act (*as defined hereinafter*) and/or applicable sections of the 2013 Act (*as defined hereinafter*) for (i) amalgamation of the Transferor Company (*as defined hereinafter*)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

B. RATIONALE FOR THIS SCHEME

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

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

- (a) the proposed amalgamation will enable consolidation of the business and operations of the Transferor Company and the Transferee Company which will provide substantial impetus to growth, enable synergies, reduce operational costs, increase operational efficiencies and enable optimal utilization of various resources as a result of pooling of financial, managerial and technical resources, and technologies of both the Transferor Company and the Transferee Company, significantly contributing to future growth and maximizing shareholder value; and
- (b) the proposed amalgamation would be to the benefit of their respective shareholders and creditors, as it is expected that the combined entity resulting out of such an arrangement will have better prospects of growth and that this would enable the management of the Transferee Company to vigorously pursue revenue growth and expansion opportunities.



C. PARTS OF THIS SCHEME

This Scheme is divided into the following sections:

1. SECTION I

AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEREE COMPANY

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

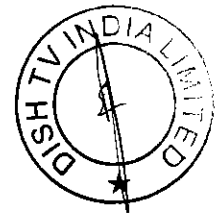
Part B deals with amalgamation of the Transferor Company into and with the Transferee Company, in accordance with Section 2(1B) of the IT Act and Sections 391 to 394 of the 1956 Act and other relevant provisions of the Companies Act.

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

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

2. SECTION II

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



SECTION I

AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEEE COMPANY

PART A

WHEREAS:

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

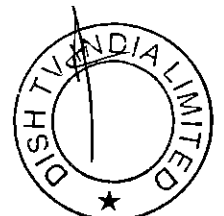
1. DEFINITIONS

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

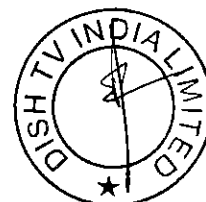
- (a) “**1956 Act**” means the Companies Act, 1956, and the rules, regulations, circulars, notifications, clarifications and orders issued thereunder, each as amended from time to time and to the extent in force;
- (b) “**2013 Act**” means the Companies Act, 2013, any re-enactment thereof, and the rules, regulations, circulars, notifications, clarifications and orders issued thereunder, each as amended from time to time and to the extent in force;
- (c) “**Accounting Standards**” means the generally accepted accounting principles in India complying with (i) the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006, or the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and to the extent in force, and (ii) the relevant provisions of the Companies Act;
- (d) “**ADS Holders**” means the holders of the Transferor Company ADSs;



- (e) **“Applicable Laws”** means any statute, law, regulation, ordinance, rule, regulation, judgment, order, decree, clearance, approval, terms of any approval, permit or no-objection of any Governmental Authority, directive, guideline, policy, requirement, listing agreement or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as in effect from time to time;
- (f) **“Board of Directors”**, with respect to a company, means the board of directors of such company as constituted from time to time in accordance with the provisions of its Articles of Association and Applicable Laws and, unless repugnant to the subject, context or meaning thereof, includes every committee of the Board;
- (g) **“Companies Act”** means the 1956 Act or the 2013 Act, as may be applicable;
- (h) **“Contribution Agreement”** means the Contribution Agreement dated December 31, 2014 between the Transferor Company and Silver Eagle Acquisition Corp., as amended on February 3, 2015;
- (i) **“Court”** means the Hon’ble High Court of Bombay and shall be deemed to include the National Company Law Tribunal, Mumbai Bench, if at any time prior to the Effective Date: (i) the National Company Law Tribunal is empowered to approve compromises, arrangements and amalgamations in terms of Section 230 to 240 of the 2013 Act by the relevant Governmental Authority, and this Scheme is filed with the National Company Law Tribunal, Mumbai Bench; or (ii) pending the sanction of this Scheme, this Scheme is transferred to the National Company Law Tribunal, Mumbai Bench for its consideration and approval in terms of Applicable Laws;
- (j) **“Depository”** means Deutsche Bank Trust Company Americas, being the depository for the Transferor Company ADS;
- (k) **“DTH License Agreement”** means the license agreement dated December 28, 2007, executed between the Transferor Company and the President of India acting through the Director, Broadcasting, Policy & Legislation, Ministry of Information and Broadcasting, Government of India;
- (l) **“Effective Date”** has the meaning assigned to such term in Clause 3.1 of Section II of this Scheme. Any references in this Scheme to “upon this Scheme becoming effective” or “upon the effectiveness of this Scheme” or “upon this Scheme coming into effect” means and refers to the Effective Date;
- (m) **“Electing ADS Holders”** has the meaning assigned to such term in Clause 5.8.3 of Section I of this Scheme;
- (n) **“Employee Welfare Trust”** has the meaning assigned to such term in Clause 4.1.1(I) of Section I of this Scheme;
- (o) **“Equity Option ADS Holders”** has the meaning assigned to such term in Clause 5.1 of Section I of this Scheme;
- (p) **“Equity Shares”**, with respect to a company, means the fully paid-up equity shares of such company;
- (q) **“First Earnout Shares”** has the meaning given to such term in Clause 3.2.1 of Section I of this Scheme;



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

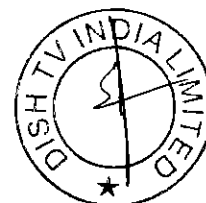


the provisions of Sections 391 to 394 of 1956 Act and other relevant provisions of the Companies Act, along with all Schedules, and as modified or amended from time to time in accordance with Applicable Laws;

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



- (vi) all Intangible Assets of every kind and description whatsoever of the Transferor Company;
- (vii) all privileges and benefits of, or under, all contracts, agreements or arrangements of any kind, and all other rights including lease rights, licenses and facilities of every kind and description whatsoever of the Transferor Company;
- (viii) all employees of the Transferor Company;
- (ix) all advance payments, earnest monies and/or security deposits or other entitlements of the Transferor Company;
- (x) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings, suits, appeals, applications or proceedings of whatsoever nature initiated by or against the Transferor Company; and
- (xi) all books, records, files, papers, computer programs, engineering and process information, manuals, data, production methodologies, production plans, catalogues, quotations, websites, sales and advertising material, marketing strategies, list of present and former customers, customer credit information, customer pricing information, and other records whether in physical form or electronic form or in any other form, in connection with or relating to the Transferor Company;
- (jj) **“Transferor Company ADSs”** or **“ADSs”** means the American depository shares issued under the Depository Receipts Scheme 2014 by the Transferor Company, pursuant to the Transferor Company Deposit Agreement;
- (kk) **“Transferor Company Deposit Agreement”** means the deposit agreement dated March 31, 2015 among the Depository, the Transferor Company and the holders and the beneficial owners of the ADSs;
- (ll) **“Transferor Company ESOP Scheme”** has the meaning assigned to such term in Clause 4.1.1(l) of Section I of this Scheme;
- (mm) **“Transferor Company Options”** has the meaning assigned to such term in Clause 4.1.1(l) of Section I of this Scheme;
- (nn) **“Transferor Company Shares”** means the Equity Shares of the Transferor Company of face value of Rs. 10 each;
- (oo) **“Transferee Company ESOP Scheme”** has the meaning assigned to such term in Clause 4.1.1(l)(i) of Section I of this Scheme;
- (pp) **“Transferee Company Options”** has the meaning assigned to such term in Clause 4.1.1(l)(ii) of Section I of this Scheme;
- (qq) **“Transferee Company Shares”** has the meaning assigned to it in Clause 5.8.1 of Section I of this Scheme;
- (rr) **“Transferee Company”** shall have the meaning assigned to it in Recital B of Section I of this



Scheme;

- (ss) “**Transferee Company GDS**” has the meaning assigned to such term in Clause 5.8.1 of Section I of this Scheme;
- (tt) “**Transferee Company Deposit Agreement**” has the meaning assigned to such term in Clause 5.8.1 of Section I of this Scheme; and
- (uu) “**Transferee Company Depository**” has the meaning assigned to such term in Clause 5.8.1 of Section I of this Scheme.

2. INTERPRETATION

- (a) The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning assigned to them under the Companies Act, the IT Act, the Depositories Act, 1996 and other Applicable Laws.
- (b) References to “Sections 391 to 394 of 1956 Act” in this Scheme means and shall be deemed to include references to Section 230 to 240 of the 2013 Act as and when such provisions are made effective in accordance with Applicable Laws. Any references to Sections of the 1956 Act shall be deemed to include references to the equivalent provisions of the 2013 Act, as and when such provisions are made effective in accordance with Applicable Laws.
- (c) In this Scheme, unless the context otherwise requires:
 - (i) the words “including”, “include” or “includes” shall be interpreted in a manner as though the words “without limitation” immediately followed the same;
 - (ii) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;
 - (iii) the words “other”, “or otherwise” and “whatsoever” shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
 - (iv) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;
 - (v) the term “Clause” refers to the specified clause in Section I or Section II of this Scheme, as the case may be;
 - (vi) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute; and
 - (vii) words in the singular shall include the plural and *vice versa*.



3. SHARE CAPITAL

3.1 Share Capital of the Transferee Company

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

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

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

Employee Stock Options

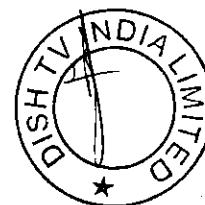
Employee stock options granted and accepted but which have not vested

8,62,500 (eight lakh sixty two thousand and five hundred) employee stock options, which may be exchanged for 862,500 (eight lakh sixty two thousand and five hundred) Equity Shares of the Transferee Company

Employee stock options granted, accepted and vested but not exercised

72,600 (seventy two thousand six hundred) employee stock options, which may be exchanged for 72,600 (seventy two thousand six hundred) Equity Shares of the Transferee Company

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



3.2 Share Capital of the Transferor Company

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

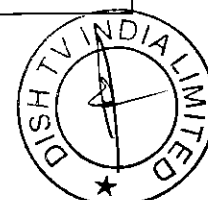
Share Capital	Amount (Rs.)
<i>Authorized Capital</i>	
<u>Equity</u>	
50,00,00,000 Equity Shares of face value Rs. 10 each	500,00,00,000
Total	500,00,00,000
<i>Issued, Subscribed and Paid-up Capital**</i>	
42,00,64,600* Equity Shares of face value Rs. 10 each	420,06,46,000
Total	420,06,46,000

* This includes:

- (a) 15,09,99,600 (fifteen crore nine lakh ninety nine thousand six hundred) Transferor Company Shares, underlying 3,77,49,900 (three crore seventy seven lakh forty nine thousand nine hundred) Transferor Company ADSs.
- (b) 37,05,000 (thirty seven lakh five thousand) Transferor Company Shares issued to the Employee Welfare Trust, of which 32,38,353 (thirty two lakh thirty eight thousand three hundred and fifty-three) Transferor Company Options (each of which may be exercised for one Transferor Company Share) have been granted to and accepted by employees of the Transferor Company. No employee stock options have been granted or will be granted from the date of the Transferor Company's board's approval of the Scheme against the remaining 4,66,647 (four lakh sixty six thousand six hundred and forty seven) Transferor Company Shares held by the Employee Welfare Trust and such remaining Shares shall be dealt with in accordance with Clause 5.4 of Section I of this Scheme.

** The issued, subscribed and paid-up capital of the Transferor Company is subject to change on account of the following issuances of Transferor Company Shares:

- (a) The Transferor Company has an obligation to issue 53,99,984 (fifty three lakh ninety nine thousand nine hundred and eight four) Transferor Company Shares ("First Earnout Shares") to certain persons pursuant to the terms of the Contribution Agreement. Subject to receipt of regulatory approvals prior to the Effective Date, such Transferor Company Shares shall be issued by the Transferor Company.
- (b) The Transferor Company shall be required to issue 2,87,59,984 (two crore eighty seven lakh fifty nine thousand nine hundred and eighty four) Transferor Company Shares ("Second Earnout Shares") to certain persons under the terms of the Contribution Agreement upon occurrence of certain performance hurdles under the Contribution Agreement prior to the Effective Date and subject to receipt of regulatory approvals for such issuance, prior to the Effective Date.



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

Employee Stock Options

Employee stock options granted and accepted but which have not vested

32,38,353 (thirty two lakh thirty eight thousand three hundred and fifty three) employee stock options, which may be exchanged for 32,38,353 (thirty two lakh thirty eight thousand three hundred and fifty three) Equity Shares of the Transferor Company

Employee stock options granted, accepted and vested but not exercised

Nil

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

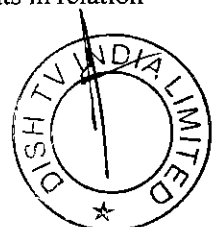
PART B

4. AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFEREE COMPANY

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

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

- (a) upon this Scheme coming into effect on the Effective Date, all immovable property (including land, buildings and any other immovable property) of the Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation



thereto, shall stand vested in or be deemed to be vested in the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company. Upon this Scheme coming into effect on the Effective Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes, rent and charges, and fulfill all obligations, in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee, if any, to the Transferee Company. The mutation/ substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Transferee Company, by the relevant Governmental Authorities pursuant to the sanction of this Scheme by the Court and upon this Scheme coming into effect on the Effective Date;

- (b) upon this Scheme coming into effect on the Effective Date, all the assets of the Transferor Company which are movable in nature or are otherwise capable of being transferred by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery, or by vesting and recordal, as appropriate to the property being vested and the title to such property shall be deemed to have been transferred accordingly to the Transferee Company;
- (c) upon this Scheme coming into effect on the Effective Date, any and all other movable property (except those specified elsewhere in this Scheme) including investments in shares and any other securities, all sundry debts and receivables, outstanding loans and advances relating to the Transferor Company which are recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons, cheques on hand shall, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company become the property of the Transferee Company. Without prejudice to the foregoing, the Transferee Company shall be entitled to deposit at any time after Effective Date, cheques received in the name of the Transferor Company, to enable the Transferee Company to receive the amounts thereunder;
- (d) upon this Scheme coming into effect on the Effective Date, all debts, borrowings, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Transferor Company, whether provided for or not in the books of accounts of the Transferor Company or disclosed in the balance sheet of such Transferor Company, shall stand transferred to and vested in the Transferee Company, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date and become and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this



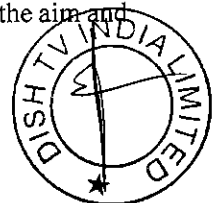
Clause. However, if any lender of the Transferor Company requires satisfaction of the charge over the Transferor Company's properties and recordal of a new charge with the Transferee Company, the Transferee Company shall for good order and for statistical purposes, file appropriate forms with the RoC as accompanied by the sanction order or a certified copy thereof and any deed of modification or novation executed *inter alios* by the Transferee Company;

- (e) upon this Scheme coming into effect on the Effective Date, all incorporeal or intangible property of the Transferor Company shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company;
- (f) upon this Scheme coming into effect on the Effective Date, all letters of intent, contracts, deeds, bonds, agreements, insurance policies, capital investment, subsidies, guarantees and indemnities, schemes, arrangements, and other instruments of whatsoever nature in relation to the Transferor Company or to which the Transferor Company is a party or to the benefit of which it may be entitled or eligible, shall be in full force and effect against or in favour of the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed of the Transferor Company or the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company is a party or beneficiary or obligor thereto. Without prejudice to the generality of the foregoing, bank guarantees, performance guarantees, letters of credit, agreements with any Governmental Authority, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or have effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be bank guarantees, performance guarantees, letters of credit, agreements, deeds, documents, and arrangements, as the case may be, of Transferee Company;
- (g) upon this Scheme coming into effect on the Effective Date, all permits, grants, no-objection certificates, licenses (including the licenses granted to the Transferor Company by any Governmental Authority for the purpose of carrying on its business or in connection therewith) other than DTH License Agreement (which shall stand cancelled on the Effective Date), permissions (including statutory and regulatory permissions), approvals, consents (including environmental consents), clearances, registrations (including relating to sales tax, service tax, excise, value added tax), (including, but not limited to, credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, tax credits, tax refunds, tax holidays, security transaction tax, minimum alternate tax credit and duty entitlement credit certificates), tenancies, quotas, recommendations, privileges, powers, offices, facilities of every kind and description of whatsoever nature, easements, goodwill, allotments, concessions, exemptions, advantages, or rights required to carry on the operations of the Transferor Company or granted to the Transferor Company, shall stand vested in or transferred to the Transferee Company, by operation of law pursuant to the vesting order of the Court sanctioning this Scheme, without any further act, instrument or deed done or executed by the Transferor Company or the Transferee Company, and shall



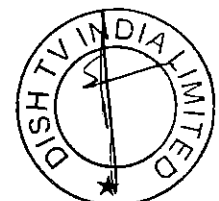
be appropriately transferred or assigned by the concerned Governmental Authority in favour of Transferee Company;

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

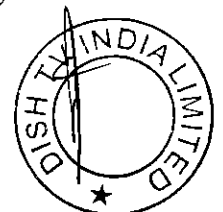


intent of this Scheme that upon this Scheme coming into effect on the Effective Date, all the rights, duties, powers and obligations of the Transferor Company in relation to such schemes or funds shall become those of the Transferee Company. For the avoidance of doubt, it is clarified that with regard to provident fund, gratuity, leave encashment, deferred cash benefits and long term incentive plans and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, Transferee Company shall stand substituted for Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of Applicable Laws or otherwise. Without prejudice to the generality of the foregoing, any private funds (if any) and investments made out of private funds maintained by the Transferor Company (if any) shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. Such private funds (if any) maintained by the Transferor Company shall, subject to the necessary approvals and permission and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds maintained by the Transferee Company. In the event that the Transferee Company does not maintain its own private fund with respect to any such funds maintained by the Transferor Company, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing private funds of the Transferor Company separately and contribute thereto, until such time as the Transferee Company creates its own private funds at which time the private funds and the investments and contributions pertaining to the employees of the Transferor Company shall be transferred to such private funds maintained by the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes, funds, benefit plans or policies. The Transferor Company and the Transferee Company shall undertake all the necessary steps and formalities as may be required to be carried out for transfer of such fund, assets, value, etc. to the Transferee Company in this regard;

- (k) the Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable;
- (l) the Transferor Company has set up an employee welfare trust, namely the Videocon d2h Employee Welfare Trust ("**Employee Welfare Trust**") in terms of a deed of private trust dated September 24, 2014 and has formulated the Videocon d2h Employee Stock Option Scheme 2014 ("**Transferor Company ESOP Scheme**"). In terms of the Transferor Company ESOP Scheme, the Transferor Company has granted and its employees have accepted 32,38,353 (thirty two lakh thirty eight thousand three hundred and fifty three) employee stock options, each of which may be exercised for 1 (one) Equity Share of face value of Rs. 10 (Rupees Ten) each of the Transferor Company at an exercise price of Rs. 50 (Rupees Fifty) per Equity Share of the Transferor Company, out of which its employees have paid Rs. 10 (Rupees Ten) upfront per option to accept the grant thereof ("**Transferor Company Options**"). Upon this Scheme coming into effect:



- (i) The Transferee Company shall formulate an employee stock option plan / scheme, the terms of which shall be similar to the Transferor Company ESOP Scheme, for enabling continuity of benefits, including with respect to vesting period and exercise period (subject to 4.1.1(l)(iii) below) and exercise price (taking into account the upfront payment already paid by the employees in respect thereof and subject to adjustment of such exercise price in accordance with the Share Exchange Ratio), in favour of the relevant option holders in terms of the Transferor Company ESOP Scheme ("**Transferee Company ESOP Scheme**"). The compensation committee of the Transferee Company shall implement and monitor the Transferee Company ESOP Scheme. The Transferee Company ESOP Scheme shall be effected and implemented in such manner as the Transferee Company may deem fit;
- (ii) The Transferor Company Options held by the relevant option holders in the Transferor Company as of the Record Date shall be substituted with employee stock options of the Transferee Company. Accordingly, such option holders holding Transferor Company Options shall be granted employee stock options by the Transferee Company ("**Transferee Company Options**") in accordance with the Share Exchange Ratio. Each Transferee Company Option may be exchanged for 1 (one) Equity Share of the Transferee Company at the exercise price set out under the Transferee Company ESOP Scheme. For the avoidance of doubt, it is clarified that the exercise price of the Transferee Company Options shall be determined on the basis of the existing exercise price of the Transferor Company Options after taking into account the upfront payment already paid by the employees to the Transferor Company in respect thereof and the Share Exchange Ratio. Upon the issuance of the Transferee Company Options and completion of other actions specified herein, the Transferor Company ESOP Scheme shall be deemed to be cancelled;
- (iii) The terms and conditions of the Transferee Company ESOP Scheme shall always remain no less favourable than those provided under the Transferor Company ESOP Scheme and any vesting period or exercise period already lapsed under the Transferor Company ESOP Scheme in regard to the Transferor Company Options held by an option holder shall be deemed to have lapsed in regard to the Transferee Company Options granted to such an option holder in terms of this Clause 4.1.1(I). The relevant option holders have consented to such adjustments and no other approvals shall be required from the relevant option holders for undertaking any modifications / cancellation made or required to be made to the Transferor Company ESOP Scheme and for formulating the Transferee Company ESOP Scheme and substituting the employee stock options as contemplated herein. Subject to Applicable Law, the adjustments to the exercise price per option and option entitlement of the option holders, if any, proposed under this Section shall be appropriately reflected in the accounts of the Transferee Company; and
- (iv) The approval granted to this Scheme by each Merger Entity and its shareholders, Stock Exchanges, SEBI and, or, other relevant Governmental Authorities shall be deemed to be approval granted to the Transferor Company for undertaking the cancellation of the Transferor Company Options and to the Transferee Company for formulating the Transferee Company ESOP Scheme and for substituting the employee stock options as contemplated herein, and no further resolution or actions shall be required to be undertaken by the Transferor Company and/or the



Transferee Company, including under the terms of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with the SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 and the requirements of the aforesaid regulation / legal provisions shall be deemed to be complied with; and

- (m) upon this Scheme coming into effect on the Effective Date all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by the Transferor Company shall be deemed to have been accrued to and, or, acquired for and on behalf of the Transferee Company, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.
- 4.1.2 Upon this Scheme becoming effective and the consequent amalgamation of Transferor Company into and with the Transferee Company, the secured creditors of Transferee Company, if any, shall only continue to be entitled to security over such properties and assets forming part of Transferee Company, as existing immediately prior to the amalgamation of Transferor Company into and with Transferee Company and the secured creditors of Transferor Company, if any, shall continue to be entitled to security only over such properties, assets, rights, benefits and interest of and in Transferor Company, as existing immediately prior to the amalgamation of Transferor Company into and with Transferee Company. For the avoidance of doubt, it is clarified that all the assets of Transferor Company and Transferee Company which are not currently encumbered shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by Transferee Company. For this purpose, no further consent from the existing creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such creditors.
- 4.1.3 The Transferee Company shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of the Transferor Company, if so required under any Applicable Laws or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company has been a party, including any filings with the Governmental Authorities, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of Transferee Company, *inter alia*, in its capacity as the successor entity of the Transferor Company.
- 4.1.4 The Transferee Company shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Laws, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by Transferor Company. For the avoidance of doubt, it is clarified that if the consent of either a third party or Governmental Authority is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of Transferee Company pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective. The Transferee Company shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and the Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Transferor Company and to carry out or perform all such



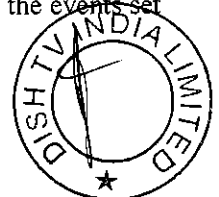
acts, formalities or compliances referred to above as may be required in this regard.

PART C

5. CONSIDERATION

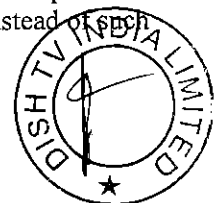
- 5.1 Upon this Scheme coming into effect on the Effective Date and upon the amalgamation of the Transferor Company into and with the Transferee Company; the day that the Effective Date falls on (immediately prior to the Scheme coming into effect in accordance with the terms hereof) (the, "**Record Date**")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

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



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

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



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

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

5.8 ADS holders

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

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

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

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

5.8.3 The Transferee Company shall, in respect of those ADS Holders who elect to receive Transferee Company GDSs pursuant to Clause 5.8.2(a) above and whose election forms are received on or before the Effective Date ("**Electing ADS Holders**") and those ADS Holders who are deemed to



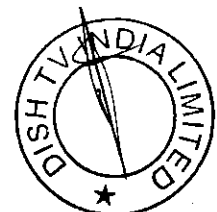
be Electing ADS Holders on account of the clarification to Clause 5.8.2. set out above, without any further act, instrument or deed, issue and allot to the Transferee Company Depository's custodian in India, the requisite number of Transferee Company Shares based on the Share Exchange Ratio, subject to Clause 5.6 above, in exchange for Transferor Company Shares underlying the Transferor Company ADSs held by the Electing ADS Holders. The Transferee Company shall procure that each Electing ADS Holder is issued such number of Transferee Company GDSs as would represent the number of Transferee Company Shares that it would have been entitled to receive had it received Transferee Company Shares in exchange for the Transferor Company Shares underlying the Transferor Company ADSs held by it in accordance with the Share Exchange Ratio, subject to Clause 5.6 above.

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

PART D

6. ACCOUNTING TREATMENT

- 6.1 Pursuant to this Scheme coming into effect on the Effective Date, the Transferee Company shall account for the amalgamation of the Transferor Company into and with the Transferee Company in its books of accounts in compliance with the applicable Indian Accounting Standards, in the following manner:
- (a) All the assets and liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this Scheme shall be recorded in the books of accounts of the Transferee Company at fair values as determined by the Board of Directors of the Transferee.



- (b) Any excess of the fair value of Equity Shares, issued by the Transferee Company as consideration for the amalgamation of the Transferor Company into and with the Transferee Company, over the value of net assets of the Transferor Company acquired by the Transferee Company shall be adjusted in the Transferee Company's books of accounts as goodwill arising on amalgamation. If the fair value of Equity Shares issued by the Transferee Company as consideration for the amalgamation of the Transferor Company into and with the Transferee Company is lower than the value of net assets acquired, the difference shall be credited to 'capital reserve account'. The fair value of Equity Shares issued as consideration for the amalgamation of the Transferor Company into and with the Transferee Company in excess of the face value of Equity Shares shall be recorded as 'share premium account' in the books of accounts of the Transferee Company.

6.2 Intangible Assets (including goodwill), if any, transferred / arising on amalgamation shall be amortized/tested for impairment in the books of accounts of the Transferee Company in accordance with applicable Accounting Standards.

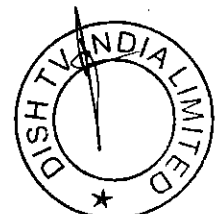
7. TRANSFER OF THE AUTHORIZED SHARE CAPITAL

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

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

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

7.3 It is hereby clarified that for the purposes of this Clause 7 of Section I of this Scheme, the consent of the shareholders of the Transferor Company and the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment to the Memorandum



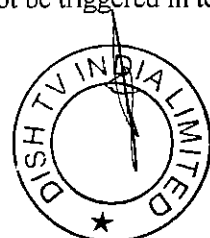
of Association of the Transferee Company and no further resolution under Section 13 of the 2013 Act and/or any other applicable provisions of the Companies Act and rules and regulations framed thereunder would be required to be separately passed, nor shall the Transferee Company be required to pay any additional registration fees, stamp duty, etc.

8. CHANGE IN NAME OF THE TRANSFEREE COMPANY

- 8.1 As an integral part of this Scheme, upon the effectiveness of this Scheme, the name of the Transferee Company shall stand changed to "Dish TV Videocon Limited" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC, without any further act, instrument or deed and the name "Dish TV India Limited" wherever it appears in the Memorandum of Association and Articles of Association of the Transferee Company shall stand substituted by the new name "Dish TV Videocon Limited" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC, without any further act, instrument or deed on the part of the Transferee Company. Upon such name change, the requirement of using or displaying the former name "Dish TV India Limited" together with the new name "Dish TV Videocon Limited" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC, outside its offices, on its company seal, letters, bills, notices, official publications and all other places or documents whatsoever, shall be automatically dispensed with without any further act, instrument or deed on the part of the Transferee Company by virtue of the order of the Court sanctioning this Scheme. The order of the Court sanctioning this Scheme shall be deemed to be a specific direction under Section 13 of the 2013 Act read with Rule 8(8) of the Companies (Incorporation) Rules, 2014 and/ or any other applicable provisions of the Companies Act and rules and regulations framed thereunder for the change of name of the Transferee Company to "Dish TV Videocon Limited" pursuant to the release of the aforesaid name by the Transferor Company.
- 8.2 Pursuant to the effectiveness of this Scheme, the Transferee Company shall file the requisite forms with the RoC and shall obtain a fresh certificate of incorporation upon the change of its name to "Dish TV Videocon Limited" or such other name as may be approved by the board, shareholders of the Transferee Company and the RoC.
- 8.3 It is hereby clarified that for the purposes of this Clause 8 of Section I of this Scheme, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment or changing the name of the Transferee Company and no further resolution under Section 13 of the 2013 Act and/or any other applicable provisions of the Companies Act and rules and regulations framed thereunder would be required to be separately passed.

9. EXEMPTION UNDER SAST REGULATIONS

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



10. Taxes

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

11. DISSOLUTION OF THE TRANSFEROR COMPANY

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

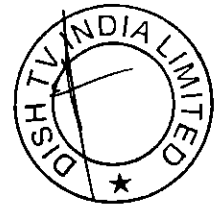
12. MISCELLANEOUS

- 12.1 Post effectiveness of this Scheme, the Equity Shares to be issued and allotted by the Transferee Company in terms of Clause 5 of Section I of this Scheme shall be listed and shall be admitted for trading on the Stock Exchanges. The Transferee Company shall make all requisite applications and



shall otherwise comply with the provisions of Applicable Laws, including, as applicable, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015. The Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the Stock Exchanges.

- 12.2 None of the shareholders of the Transferor Company or the holders of the Transferor Company ADS shall be considered to be the Promoters or form a part of the Promoter Group of the Transferee Company upon effectiveness of the Scheme on the Effective Date.



SECTION II

GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

1. APPLICATION TO THE COURT

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

2. CONDITIONALITY OF THIS SCHEME

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

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

3. EFFECTIVENESS OF THIS SCHEME

3.1. Subject to fulfilment of the conditions set forth in Clause 2 of Section II of this Scheme, this Scheme shall become effective on the date on which the Transferor Company and the Transferee Company file the drawn-up order of the Court approving this Scheme with the RoC ("**Effective Date**"). For the avoidance of doubt, it being clarified that in case the Transferor Company and the Transferee Company make such filings on different dates, then the last date on which such filings are made with RoC shall be deemed to be the Effective Date.

3.2. Upon the sanction of this Scheme and after this Scheme has become effective in terms of Clause 3.1 of Section II of this Scheme, the amalgamation of the Transferor Company into and with the Transferee Company shall be deemed to have occurred, pursuant to this Scheme, in accordance with Section 2 (1B) of the IT Act and pursuant to the provisions of Sections 391 to 394 of 1956 Act and other relevant provisions of the Companies Act.

4. SEQUENCING OF EVENTS

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

- (a) amalgamation of the Transferor Company into and with the Transferee Company in



accordance with Section I of this Scheme;

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

5. IMPLEMENTATION STEPS AND PROTECTIVE COVENANTS

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

6. MODIFICATIONS/AMENDMENTS TO THIS SCHEME

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

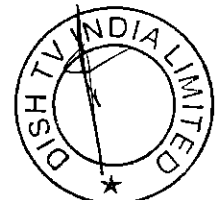
7. REMOVAL OF DIFFICULTIES

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

8. WITHDRAWAL OF THIS SCHEME

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

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



9. SEVERABILITY

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

10. COSTS, CHARGES AND EXPENSES

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

11. STAMP DUTY

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

12. REPEAL AND SAVINGS

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

