

AL/SVR/BSE/014/2024-25

24th June, 2024

Manager – Corporate Relationship,
Dept of Corporate Services,
BSE Limited,
Floor 25, P.J. Towers,
Dalal Street, Mumbai 400 001.

Dear Sir,

SUB.: INTIMATION UNDER REGULATION 30 OF SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENTS), REGULATIONS 2015 – SCHEME OF MERGER

REF.: SCRIP CODE: 517494

In compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") issued by the Securities and Exchange Board of India ("**SEBI**") read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to inform you that the Board of Directors of the Company ("**Board**") at its meeting held today i.e. 24th June, 2024, *inter alia*, considered and approved the Scheme of Merger of Accel Media Ventures Limited (Transferor Company) with Accel Limited (Transferee Company).

The Scheme, interalia provides for the following:

- (i) The transfer and vesting of the undertaking of the Transferor Company with and into the Transferee Company and the consequent issue of equity shares by the Transferee Company to the shareholders of the Transferor Company (except the Transferee Company).
- (ii) Listing of the fully paid-up equity shares of the Transferee Company issued as consideration for the transfer and vesting of the undertaking of the Transferor Company with and into the Transferee Company under the Scheme to the shareholders of the Transferor Company, on the BSE Limited ("**Stock Exchange**") after the effectiveness of this Scheme in accordance with the provisions of the SEBI Circular and;
- (iii) The proposed Appointed Date of the Scheme will be April 1, 2024.
- (iv) The Scheme is subject to no-objection from the Stock Exchange, approval by the requisite majorities of the classes or persons, including shareholders, creditors of Transferor Company and Transferee Company as may be directed by the NCLT under section 230-232 of the Act, approval from NCLT and other applicable approvals and shall come into effect upon fulfillment of conditionalities as prescribed under clause 10 of the Scheme.

- (v) The Transferee Company shall issue and allot 6,06,250 fully paid equity shares to the shareholders of the Transferor Company (except the Transferee Company) as per the share exchange ratio as specified in the Scheme and the said equity shares shall rank pari-passu in all the respects as the existing equity shares of the Transferee Company.
- (vi) 40,05,500 equity shares held by the Transferee Company in the Transferor Company shall stand cancelled.
- (vii) The Transferee Company shall apply to the Stock Exchange (where the shares of the Transferee Company are listed) and SEBI for listing and admission to trading of all the equity shares issued to the shareholders of the Transferor Company pursuant to the Scheme in terms of the SEBI Circular read with any other applicable laws.
- (viii) The Transferor Company shall stand dissolved.
- (ix) Various other matters consequential or otherwise integrally connected therewith.

The details as required under Listing Regulations read with SEBI Circular No. CMJCFD/C1V1D/4/2015 dated September 9, 2015 are given in Annexure A to this letter.

This is for your information and record. Kindly acknowledge receipt.

The Board Meeting commenced at 08.00 P.M. and concluded at 08.35 P.M.

Please arrange to take the same on record.

Thanking you,

Yours faithfully,
For **Accel Limited**

SUNKARI
VENKATESWA
RA RAO

Digitally signed by
SUNKARI
VENKATESWARA RAO
Date: 2024.06.24
20:42:38 +05'30'

S. V. RAO
WHOLE-TIME DIRECTOR
DIN: 06600739
Encl: As above

ANNEXURE A

SR. NO	DETAILS OF EVENTS THAT NEED TO BE PROVIDED	INFORMATION OF SUCH EVENT(S)														
(a)	Name of the entity(ies) forming part of the amalgamation / merger, details in brief such as, size,turnover etc.;	<p>The details of Accel Media Ventures Limited - AMVL (“Transferor Company”) and Accel Limited (“Transferee Company” or the “Company”), are as under:</p> <p align="right">As on March 31, 2024</p> <p align="right">(Rs. Lakhs)</p> <table border="1" data-bbox="724 584 1383 902"> <thead> <tr> <th data-bbox="724 584 916 658">Particulars</th> <th data-bbox="916 584 1161 658">TransferorCompany (AMVL)</th> <th data-bbox="1161 584 1383 658">Transferee Company</th> </tr> </thead> <tbody> <tr> <td data-bbox="724 658 916 741">Paid up capital</td> <td align="center" data-bbox="916 658 1161 741">521.80</td> <td align="center" data-bbox="1161 658 1383 741">1151.45</td> </tr> <tr> <td data-bbox="724 741 916 824">Net worth (standalone)</td> <td align="center" data-bbox="916 741 1161 824">(599.08)</td> <td align="center" data-bbox="1161 741 1383 824">7529.13</td> </tr> <tr> <td data-bbox="724 824 916 902">Turnover (standalone)</td> <td align="center" data-bbox="916 824 1161 902">97.06</td> <td align="center" data-bbox="1161 824 1383 902">16633.49</td> </tr> </tbody> </table>			Particulars	TransferorCompany (AMVL)	Transferee Company	Paid up capital	521.80	1151.45	Net worth (standalone)	(599.08)	7529.13	Turnover (standalone)	97.06	16633.49
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(b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;	<p>Yes. The Transferor Company is subsidiary of the Transferee Company and as such the said companies are related party to each other.</p> <p>However, the Ministry of Corporate Affairs has clarified <i>vide</i> its General Circular No. 30/ 2014 dated July 17, 2014 that transactions arising out of Compromise, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 2013, will not fall within the purview of related party transaction in terms of Section 188 of the Companies Act, 2013.</p> <p>The consideration for the Scheme will be discharged at an ‘arm’s length’ basis. The consideration/share exchange ratio has been arrived at based on the valuation report dated 24th June,2024 obtained from Mr. Sanka Hari Surya, a registered Valuer, and confirmed by a Fairness Opinion dated 24th June, 2024 obtained from Navigant Corporate Advisors Limited, a SEBI Registered Category I Merchant Banker.</p> <p>Pursuant to the Scheme the Transferee Company will issue and allot equity shares to the shareholders of Transferor Company (except the Transferee Company) as per the share exchange ratio as mentioned in the Scheme.</p>														

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(c)	Area of business of the entity(ies);	<p>Transferee Company: The Company is engaged in the business of IT Services and Realty Services.</p> <p>Transferor Company: The Company is engaged in the business of visual effects, digital intermediate and training services.</p>
(d)	Rationale for amalgamation/merger;	<p>The Merger of the Undertaking of the Transferor company with the Transferee Company pursuant to this Scheme shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public, in the following ways:</p> <p>(i) The Transferee Company is the Holding company of the Transferor Company. The Transferee Company has invested substantial amount of funds in the Transferor Company. The Transferee Company was into similar business earlier and has got vast knowledge and experience in that line of business, which can be exploited, through this Merger. The Transferee Company, being a Listed Company wants to tap into the business potential available presently in India and overseas for the business of the Transferor Company and position itself as one of the main Information Technology (IT) and Media services Companies. Furthermore, the Merger will also result in enriching the shareholders of the Transferee Company by adding another complimentary line of business, which is already known to the Transferee Company.</p> <p>(ii) The Transferee Company will have, post-merger, the ability to leverage on the resources of both the Transferee and the Transferor Company. It will also be possible to take advantage of the combined professional and managerial experience and expertise to grow the business of the Transferor Company and increase Shareholder's value.</p> <p>(iii) On evaluating the growth of the Transferor Company, it is considered that the merger will enable pooling of resources of the aforesaid Transferor Company with the resources of the Transferee Company, resulting in more productive utilization of the resources. The consolidated entity will offer a strong and stable financial structure to all stakeholders,</p>

		<p>facilitate resource mobilization and lead to the achievement of better cash flows.</p> <p>(iv) The activities of the Transferor Company and the Transferee Company complement each other, and the combined efforts and resources would lead to a more concentrated approach towards development of the respective businesses.</p> <p>(v) The Transferee Company holds certain valuable IP's in Media and Animation domain through combined efforts of Transferee Company and Transferor Company, this can be gainfully commercialised.</p> <p>(vi) Consequent upon merger, the Transferee Company would be able to optimize the resources required for the overall management of the Company. The Transferee Company would be able to use its existing resources as well as the resources of the Transferor Company and this would reduce duplication of resources.</p> <p>(vii) The consolidated entity is likely to achieve higher long-term financial returns than could be achieved individually by the Companies.</p> <p>(viii) The consolidation of the business operations, undertakings, assets, liabilities etc. of the Transferor Company into the Transferee Company, under a single centralized system of management, will result in management being able to exercise greater control over the operations of the Companies.</p> <p>(ix) The Banks, creditors and institutions, if any of the Transferor and Transferee companies are not affected by the proposed merger, as their security is maintained, and no compromise or arrangement is proposed to be made with them. There is no likelihood that the interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Merger will not impose any additional burden on the members of Transferor Company or the Transferee Company.</p> <p>(x) The Scheme is expected to bring about overall cost management and reduction of statutory and legal compliance costs.</p>
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		<p>(xi) In order to consolidate the business at specified places and effectively manage the Transferor company and the Transferee company as a single entity, will provide several benefits including streamlining Group structure by reducing the number of entities, reducing the multiplicity of legal and regulatory compliances, rationalising costs, it is intended that the Transferor Company be merged with the Transferee Company.</p> <p>(xii) The Scheme envisages simplify shareholding structure.</p>

SR. NO	DETAILS OF EVENTS THAT NEED TO BE PROVIDED	INFORMATION OF SUCH EVENT(S)
(e)	In case of cash consideration – amount or otherwise share exchange ratio;	<p>Upon the Scheme becoming effective, the Transferee Company shall issue and allot 6,06,250 fully paid equity shares to the shareholders of the Transferor Company (except the Transferee Company), as on the Record Date, as per the following share exchange ratio:</p> <p><i>“For every two equity shares of Transferor Company of face value of INR. 10/- each held in Transferor Company, every equity shareholder of the Transferor Company other than Transferee Company, shall without any application, act or deed, be entitled to receive one equity share of face value INR.2/- each of the Transferee Company, credited as fully paid up”.</i></p> <p>Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company and accordingly, such equity shares held in the Transferor Company shall stand cancelled.</p>
		<p>The share exchange ratio has been arrived at based on the valuation report dated 24th June, 2024 obtained from Mr. Sanka Hari Surya, a registered Valuer and confirmed by a Fairness Opinion dated 24th June, 2024 obtained from Navigant Corporate Advisors Limited, a SEBI Registered Category I Merchant Banker.</p> <p>No cash consideration is envisaged under this Scheme.</p>

(f)	brief details of change in shareholding pattern (if any) of listed entity.		Category	No. of shares and % of voting rights pre-merger (Date : As on 31 st March, 2024)	No. of shares and % of voting rights post-merger
			Promoter	4,12,35,661 (71.62%)	4,15,01,286 (71.33%)
			Public	1,63,36,740 (28.38%)	1,66,77,365 (28.67%)
			TOTAL	5,75,72,401	5,81,78,651

For **Accel Limited**

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S. V. RAO
WHOLE-TIME DIRECTOR
DIN: 06600739