INOX
LIVE the MOVIE

18th June, 2018

To,
The Secretary
BSE Limited
P J Towers,
Dalal Street,
Mumbai – 400 001

Stock Code: 532706

The Manager
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051

Stock Code: INOXLEISUR

Dear Sir / Madam,

Sub: Disclosure under Regulation 37 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Scheme of Merger.

Pursuant to Regulation 37 (6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its Meeting held today i.e. 18th June, 2018, have approved a Scheme of Merger (Said Scheme) of Swanston Multiplex Cinemas Private Limited (Wholly owned Subsidiary Company) ("Transferor Company") with INOX Leisure Limited ("Transferee Company").

In compliance with the Regulation 37(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the said Scheme is attached herewith for your records.

Thanking you.

Yours faithfully,
For INOX Leisure Limited

Kailash B. Gupta
Chief Financial Officer

INOX LEISURE LTD.
5th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai 400 093, India.
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Registered Office : ABS Towers, Old Padra Road, Vadodara 390 007 • Tel (91 265) 6198111 • Fax (91 265) 2310312 • CIN: L92199GJ1999PLC044045

SCHEME OF MERGER

SWANSTON MULTIPLEX CINEMAS PRIVATE LIMITED

.... Transferor Company

AND

INOX LEISURE LIMITED

....The Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

This Scheme of Amalgamation (merger by Absorption) is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment or amendment thereof) for merger of Swanston Multiplex Cinemas Private Limited with Inox Leisure Limited and their respective shareholders.

A. Description of the Companies:

Transferor Company

a. **Swanston Multiplex Cinemas Private Limited**, is a company incorporated under the Companies Act, 1956 with its registered office at 9th floor, Viraj Towers, Next to Andheri flyover Western Express Highway, Andhei East, Mumbai 400093 ("**Transferor Company**" or "**Swanston**") [CIN: U92132MH2001PTC133639]. Swanston was engaged in the business of operating multiplex cinema theatres in India. The Transferor Company is

For INOX LEISURE LIMITED
CHIEF FINANCIAL OFFICER

wholly owned subsidiary of the Transferee Company.

Transferee Company

b. **Inox Leisure Limited**, is a public limited company incorporated under the Companies Act, 1956 with its registered office at ABS Towers Old Padra Road Vadodra , Gujarat 390007 India ("**Transferee Company**" or "**Inox**") [CIN : L92199GJ1999PLC044045]. The Transferee Company is engaged in the business of operating Multiplex Entertainment Complexes including Cinemas, theatres, family entertainment and amusement centers, food courts, restaurants, and all kinds of business relating to movie exhibition , entertainment. The equity shares of the Transferee Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE").

B. Rationale of the Scheme:

(i) Swanston Multiplex Cinemas Private Limited is a private limited company incorporated under the provisions of the Companies Act, 1956. Swanston is a wholly owned subsidiary of Inox and was engaged in the business of operating multiplex cinema theatres in India.

(ii) Inox Leisure Limited is a public limited company incorporated under the provisions of the Companies Act, 1956. The shares of Inox are listed on the BSE Limited and the National Stock Exchange of India Limited. Inox is engaged in the business of owning, operating and managing multiplex cinema theatres in India.

(iii) The proposed amalgamation will enable more economic and efficient management, control and running of the businesses of the companies concerned.

(iv) In general, the business of both, Swanston and Inox will be carried on more profitably under the Scheme and the Scheme will contribute in furthering and fulfilling the objects of both Swanston and Inox.

(v) The proposed amalgamation and vesting of Swanston into Inox, with effect from the Appointed Date, is in the interest of the shareholders, creditors, stakeholders and employees, of both the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders.

Parts of the Scheme:

The Scheme of Amalgamation is divided into following three parts:

(i) **Part I** – Deals with the definitions and share capital;

(ii) **Part II**– Deals with merger of Swanston Multiplex Cinemas Private Limited with Inox Leisure Limited; and

(iii) **Part III** – Deals with the dissolution of the Transferor Company and General Clauses, Terms and Conditions applicable to the Scheme.

PART I

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL

1) Definitions and Interpretation

In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

1.1. **'Act'** or **'the Act'** means the Companies Act, 2013 of India and Rules made thereunder.

1.2. **'Applicable Law(s)'** means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the tame being in force.

1.3. **'Appointed Date'** For the purpose of this Scheme and for Income Tax Act, 1961, the "Appointed Date" means 1st day of April, 2018;

1.4. **'Appropriate Authority'** means any governmental, statutory, regulatory, departmental or public body or authority of India including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Director, Official Liquidators, the Competition Commission of India and the National Company Law Tribunal.

1.5. **"Board of Directors" or "Board"** in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised or individuals authorized for the purposes of matters pertaining to the amalgamation, this Scheme and/or any other matter relating thereto;

1.6. **'Effective Date'** means the last of the following dates, namely:

a. That on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 20(a) shall be obtained or passed; or

b. That on which all necessary certified copies of orders under the applicable section(s) of the Act shall be duly filed with the concerned Registrar of Companies or

c. The Appointed Date;

1.7. **"Employees"** means all the permanent employees of the Transferor Companies who are on the pay-roll of the Transferor Company as on the Effective Date;

1.8. "**Governmental Authority**" means (i) a national government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;

1.9. **'Scheme'** or '**the Scheme**' or '**this Scheme**' means this Scheme of Amalgamation in its present form as submitted to the Tribunal with any modification(s) made under Clause 22 of the Scheme as approved or directed by the Tribunal or such other competent authority, as may be applicable.

1.10. **'SEBI'** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

1.11. **'SEBI Circular'** shall **mean** the circular issued by the SEBI, being Circular **CFD/DIL3/CIR/2017/21** dated March 10, 2017, and any amendments thereof.

1.12. **'Stock Exchanges'** means the BSE Limited and National Stock Exchange of India Limited;

1.13. **'Tribunal'** means the National Company Law Tribunal, Mumbai Bench and Ahmedabad Bench as constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 to 240 of the Companies Act, 2013, if applicable.

1.14. **"Undertaking"** means all the undertakings and entire business of the Transferor Company as a going concern, including, without limitation:

a. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India or abroad, including, without limitation, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers,

tenancies in relation to the office and/or residential properties, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

b. all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the amalgamation pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;

c. all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company; and

d. all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.

The headings herein shall not affect the construction of this Scheme.

Unless the context otherwise requires:

i. the singular shall include the plural and vice versa, and references to one gender include all genders.
ii. references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
iii. reference to any law or to any provision thereof or to any rule or regulation promulgated thereunder includes a reference to such law, provision, rule or regulation as it may, from time to time, be amended, supplemented or re-enacted, or to any law, provision, rule or regulation that replaces it.

2) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the Tribunal or made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

Any references in the Scheme to 'upon the Scheme becoming effective' or 'effectiveness of the Scheme' shall mean the Effective Date.

3) SHARE CAPITAL

3.1. The share capital of Transferor Company as at March 31, 2018 is as under:

Particulars	Amount (Rupees)
Authorized Capital	
3,000,000 shares of ₹ 10 each	30,000,000
Total	**30,000,000**
Issued, subscribed and fully Paid up	
2,030,000 shares of ₹ 10 each	20,300,000
Total	**20,300,000**

The equity shares of the Transferor Company are not listed on any Stock Exchange.

Subsequent to March 31, 2018 and up to the date of approval of this Scheme by the Board of Transferor Company, there has been no change in the stated capital of Transferor Company. The entire share capital of the Transferor Company is held by the Transferee Company. The Transferor Company is 100% subsidiary of the Transferee Company.

There are no existing commitments, obligations or arrangements by the Transferor Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.

3.2. The share capital of Transferee Company as at March 31, 2018 is as under:

Particulars	Amount (₹)
Authorized Capital	
146,050,000 Equity Shares of ₹ 10 each	1460,500,000
10,000 preference shares of ₹ 10 each	1,00,000

Total	**14,61,50,000**
Issued, Subscribed and fully Paid – up	
96,457,754 Equity Shares of ₹. 10 each Less: 295,001 equity shares of ₹ 10 each issued to ESOP Trust but not allotted to employees	96,45,77,540 (29,50,010)
Adjusted issued, paid-up and subscribed capital	**96,16,27,530**

The equity shares of the Transferee Company are listed on BSE and NSE. Subsequent to March 31, 2018 and up to the date of approval of this Scheme by the Board of the Transferee Company, there has been no change in the Authorised Share Capital, issued, subscribed and paid-up share capital of the Transferee Company.

There are no existing commitments, obligations or arrangements by the Transferee Company as on the date of approval of this Scheme by the Board of Directors to issue any further shares or convertible securities except issue of shares on exercise of stock options granted under any of its existing employee stock option schemes.

PART II
MERGER OF SWANSTON WITH INOX

Section 1 – Transfer and vesting

4) Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal and pursuant to the provisions of Sections 230 to 232 and other applicable

provisions, if any, of the Act, the Undertaking of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

5) *Vesting* of Assets

a. Without prejudice to the generality of Clause 4 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertaking of whatsoever nature and where so ever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company.

b. Without prejudice to the provisions of Clause 5(a) above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the

Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.

c. In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause (b) above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

d. All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 230 to 234 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

e. All the profits or income taxes (including advance tax, tax deducted at source, Foreign Tax Credits and MAT credit) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes(namely Advance tax , Tax deducted at source & Foreign Tax Credits), tax losses, MAT Credit, income costs, charges, expenditure or losses of Transferee Company, as the case may be.

f. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

g. In so far as the various incentives, entertainment tax exemption and benefits, service tax benefits, subsidies, grants, special status and other

benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by SMCPL are concerned, the same shall, without any further act or deed, vest with and be available to INOX on the same terms and conditions on and from the Effective Date.

6) Contracts, Deeds etc.

a. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance, letters of Intent, undertaking, policies and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company concerned, the Transferee Company had been a party or beneficiary or oblige thereto or thereunder.

b. Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date,

under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

c. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

7) Transfer and Vesting of Liabilities

a. Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested

in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 7.

b. Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.

c. All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

d. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

8) Encumbrances

a. The transfer and vesting of the assets comprised in the Undertaking to the Transferee Company under Clause 5 and Clause 6 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

b. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

c. The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

d. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and their respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

e. Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.

f. It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.

g. The provisions of this Clause 8 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments,

deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

9) Employees of Transferor Company

a. Upon the coming into effect of this Scheme, all Employees of the Transferor Company shall, become the employees of the Transferee Company, on same terms and conditions and shall not be less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the amalgamation of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.

b. It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits (including employee stock options) that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any employee of the Transferor Company.

c. Insofar as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company for its Employees or to which the Transferor Company is contributing for the benefit of its Employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the Employees (including the aggregate of all the contributions made to such Funds for the benefit of the Employees, accretions thereto and the investments made by the Funds in relation to the Employees) shall be transferred to the Transferee Company and shall be held for the benefit of the concerned Employees. In the event the Transferee Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the Employees shall be merged with the funds created by the Transferee Company.

d. In relation to those Employees for whom the Transferor Company is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of

such Employees, such that all the rights, duties, powers and obligations of the Transferor Company as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

10) Legal, Taxation and other Proceedings

a. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.

b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, 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 as if this Scheme had not been made.

c. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

d. Without prejudice to the provisions of Clauses 4) to 10), with effect from the Appointed Date, all inter-party transactions between the Transferor

Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

Section 2 – <u>Conduct of Business</u>

11) From the date on which the Boards of Directors of the Transferor Company and the Transferee Company approve this Scheme until the Effective Date:

a. the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;

b. The Transferor Company shall carry on their business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any preexisting obligation, sell transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business.

c. all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by them (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;

d. any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent

of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and

e. all taxes (including, without limitation, income tax, sales tax, service tax, VAT, Central Goods and Service Tax law (CGST), State Goods and Service Tax law (SGST) and Integrated Goods and Service Tax law (IGST) etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, service tax, VAT, CGST, SGST, IGST etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

f. Pending sanction of the Scheme, the Transferor Company shall not, except by way of issue of shares / convertible debentures to the Transferee Company, increase their capital (by fresh issue of shares, convertible debentures or otherwise).

Section 3 – <u>Consideration and Cancellation of share capital of Transferor Company</u>

12) As Swanston is a wholly-owned subsidiary of Inox, the entire issued, subscribed and paid up share capital of Swanston is held by Inox. Upon

amalgamation, Inox would not be required to issue and allot any shares to the shareholders of Swanston.

13) Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the wholly owned subsidiary of the Transferee Company in the Transferor Company and the stated capital/issued and paid-up capital of the Transferor Company shall stand cancelled on the Effective Date.

Section 4 - <u>Increase in Authorised Share Capital of Transferee Company</u>

14) As a part of this Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Company.

15) Clause V of the Memorandum of Association and Article 3 of the Articles of Association of Inox (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14 and 61 of the Companies Act, 2013 and Section 233 and other applicable provisions of the Companies Act, 2013 as the case may be and be replaced by the following clause:

"Authorised Share Capital of the Company is Rs 1,49,06,00,000 (Rupees One Hundred Forty Nine Crore and Five lacs) divided into 14,90,50,000 (Fourteen Crore Ninety Lacs Fifty Thousand) Equity Shares of Rs 10 (Rupees Ten only) each and 10,000 (Ten Thousand) Preference Shares of Rs 10 (Rupees Ten only) each with power to increase and reduce the

capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

16) It is clarified that for the purposes of Clause 14 and 15 above, the stamp duties and fees (including registration fee) paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorised share capital to that extent. The Transferee Company shall file requisite forms with the concerned Registrar of Companies. It is clarified that upon approval of the Scheme by the Regional Director/Central Government, Inox shall not be required to seek separate consent/ approval of its shareholders for the alteration of the Memorandum and Articles of Association of Inox as required under Section 13 and other applicable provisions of the Act.

17) Dividends

a. Swanston and Inox shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course. The dividend, if any, shall be declared by Swanston only with the prior written consent of the Board of Directors of Inox.

b. On and from the Effective Date the profits of Swanston, for the period beginning from the Appointed Date, shall belong to and be the profits of Inox and will be available to Inox for being disposed of in any manner as it thinks fit.

c. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Swanston and/or Inox to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of Inox, subject to such approval of the shareholders, as may be required.

PART III

DISSOLUTION OF TRANSFEROR COMPANY, GENERAL CLAUSES, TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

18) Accounting and Tax Treatment

a. Applicability of provisions of Income Tax Act

i. The provisions of this Scheme as they relate to the amalgamation of Transferor Company with Transferee Company has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the (Indian) Income-tax Act, 1961 (hereinafter referred to as Income Tax Act). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act,

shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act. Such modification will, however, not affect the other parts of the Scheme.

ii. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act(including for minimum alternate tax purposes and tax benefits), service tax law, CGST, SGST, IGST and other tax laws and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the Income Tax Act and other tax laws (including STPI or SEZ benefits) etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

b. Accounting Treatment

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

The Transferor Company and Transferee Company both being entities under common control, the accounting would be done at book values for the all the assets and liabilities acquired by the Transferee Company of the Transferor Company by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations which would interalia include the followings:

(i) In the books of accounts of Inox, the accounting treatment on merger will be done as per pooling of interest method as Swanston is a wholly owned subsidiary of Inox.

(ii) The assets and liabilities of Swanston shall be reflected at their carrying amounts in the books of Inox.

(iii) The share capital of Swanston held by Inox shall be cancelled against the investment by Inox into equity shares of Swanston.

(iv) The balance of the retained earnings appearing in the financial statements of the Swanston shall be aggregated with the corresponding balance appearing in the financial statements of Inox. Alternatively, it may be transferred to General Reserve, if any.

(v) The identity of the reserves shall be preserved and shall appear in the financial statements of Inox in the same form in which they appeared in the financial statements of Swanston.

c. Tax

i. Upon the Scheme coming into effect, all taxes (direct and/or indirect)/ cess/ duties payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, and unutilized CENVAT credit, VAT credit, input tax credit for CGST SGST and IGST etc shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit, CGST, SGST and IGST credits and rights to claim credit or refund etc of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns, wealth tax returns, sales tax

returns, excise and CENVAT returns, service tax returns, other statutory returns, CGST returns, SGST returns, IGST returns and to claim refunds/ credits, pursuant to the provisions of this Scheme.

ii. The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 16) c) i) above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.

iii. The withholding tax/ advance tax/ minimum alternate tax, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from the Appointed Date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such withholding tax/advance tax/minimum alternate tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/advance tax are in the name of the Transferor Company and not in the name of the Transferee Company.

iv. The service tax, VAT under the pre – GST regime and in the GST regime, CGST, SGST and IGST paid by the Transferor Company under the Finance Act, 1994 and/ or Central Goods and Service Tax Act, Integrated Goods and Service Tax Act and Union Territory Goods and Service Tax Act in respect of services provided by the Transferor

Company for the period commencing from the Appointed Date shall be deemed to be the service tax, CGST, SGST, IGST paid by the Transferee Company and credit for such service tax CGST, SGST, IGST shall be allowed to the Transferee Company notwithstanding that challans for service tax payments, CGST payment, SGST payment, IGST payment are in the name of the Transferor Company and not in the name of the Transferee Company.

19) Resolutions

a. Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 181 of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

20) Savings of concluded transactions

a. The transfer and vesting of undertaking under Clause 4 above and the continuance of proceedings by or against the Transferee Company under clause 10 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

21) Dissolution of the Transferor Company

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

b. Even after the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts relating to Transferor Company and realize all monies and complete and enforce all pending contracts and transactions in the name of Transferor Company insofar as may be necessary until the transfer and vesting of rights and obligations of the Transferor Company to the Transferee Company under this scheme is formally effected by the parties concerned.

22) Conditions Precedent

a. The effectiveness of the Scheme is conditional upon and subject to:

i. The requisite sanction or approval of the Appropriate Authorities from India being obtained and/or granted in relation to any of the matters in respect of which such sanction or approval is required.

ii. this Scheme being approved by the respective requisite majorities of the various classes of shareholders of the Transferor Company and

the Transferee Company if required under the Act and the requisite orders of the Tribunal being obtained;

iii. The certified copy of the order of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by the Transferor Company and with the Registrar of Companies, Ahmedabad at Ahmedabad by Transferee Company;

iv. such other approvals and sanctions as may be required by Applicable Law in respect of this Scheme being obtained.

23) Effect of Non Receipt of Approvals/Sanctions

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Appropriate Authority and / or the Order not being passed as aforesaid within such period or periods as may be agreed upon between the Transferor Company and the Transferee Company by their Board of Directors (and which the Board of Directors of the Transferor Company and Transferee Company are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) failing which this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

24) Applications

Transferor Company and the Transferee Company, if required shall, with all reasonable dispatch, make applications/ petitions to the Tribunal under

Section 230 to 232 and other applicable provisions, of the Act, for sanctioning of this Scheme.

The Transferor Company shall take all necessary steps for sanctioning of this Scheme and for its dissolution without winding up, and apply for and obtain such other approvals, if any, required under the law.

25) Modifications or amendments to the Scheme

a) Subject to approval of NCLT, the Transferor Company and the Transferee Company, through their respective Board of Directors, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to approval of the Tribunal or to any conditions or limitations which the Tribunal and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out this Scheme and do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors, a Committee of the concerned Board or any Director, authorized in that behalf by the concerned Board of Directors (hereinafter referred to as the 'delegate').

b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Company or the Transferee Company may give and is hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case

may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.

26) Costs, Charges and Expenses

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

27) In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the NCLT, and/or the order or orders not being passed as aforesaid on or before the 31 December 2019 or within such further period or periods as may be agreed upon between Swanston and Inox through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

28) Swanston and/or Inox acting through their respective Board of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority/person is unacceptable to any of them.

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