



Fame India Limited

Registered Office: 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway,
Andheri (East), Mumbai – 400 093,

Court Convened Meeting of the Equity Shareholders

Day	: Thursday
Time	: 10.00 am
Date	: 28 February 2013
Venue	: Residency Hotel, Suren Road, Andheri-Kurla Road, Opp. Cine Magic, Near Western Express Highway, Andheri-E, Mumbai-400 093.

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTIONS NO. 44 OF 2013**

In the matter of:

The Companies Act, 1956 and Sections 100 to 104 and 391 to 394 of the Companies Act, 1956.

And

In the matter of:

Fame India Limited a Company having its registered office at 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093

And

In the matter of:

Composite Scheme of Amalgamation

Of

Fame India Limited;
Fame Motion Pictures Limited;
Big Pictures Hospitality Services Private Limited;
Headstrong Films Private Limited.

With

INOX Leisure Limited.

Fame India Limited	)	
A Company incorporated under	)	
provisions of the Companies Act, 1956,	)	
having its registered office at	)	
9 th Floor, Viraj Towers, Next to Andheri Flyover,	)	
Western Express Highway, Andheri (East), Mumbai – 400 093,	) ...	Applicant Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS

To,

The equity shareholders

Fame India Limited – the Applicant Company

TAKE NOTICE that by an Order dated 30 January 2013 in the above Company Summons for Direction, the Hon'ble High Court of Bombay has directed that a meeting of the equity shareholders of the Applicant Company, namely Fame India Limited be convened and held at Residency Hotel, Suren Road, Andheri-Kurla Road, Opp. Cine Magic, Near Western Express Highway, Andheri-E, Mumbai-400 093 on 28 February 2013 at 10.00 am for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Amalgamation ("**Scheme**") between Fame India Limited ("**FIL**" or "**Applicant Company**"), Fame Motion Pictures Limited ("**FMPL**"), Big Pictures Hospitality Services Private Limited ("**BPHSPL**"), Headstrong Films Private Limited ("**HFPL**") and Inox Leisure Limited ("**Inox**").

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company shall be convened and held at Residency Hotel, Suren Road, Andheri-Kurla Road, Opp. Cine Magic, Near Western Express Highway, Andheri-E, Mumbai-400 093 on 28 February 2013 at 10.00 am at which time and place you are requested to attend. The Hon'ble High Court has appointed Mr. Deepak Asher, Director of the Applicant Company and failing him, Mr. Sharad Abhyankar, Advocate and Solicitor, to be the Chairman of the said meeting.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that proxy in the prescribed form duly signed by you is deposited at the registered office of the Applicant Company at 9th Floor, Viraj Towers, next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093, not later than 48 hours before the said meeting.

TAKE FURTHER NOTICE that the Equity Shareholders of the Applicant Company at the meeting are to consider and if thought fit, approve, with or without modification(s) the following resolution as a Special Resolution(s):

"RESOLVED THAT pursuant to the provisions of Section 391 to 394 read with sections 78, 100 and 104 and other applicable provisions, if any, of the Companies Act, 1956 and sub-clause 21 of Clause III(B) of the Object Clause of the Memorandum of Association of the Company and also subject to the sanction of the Bombay High Court and the Gujarat High Court and any other statutory authorities as may

be required, Fame India Limited, Fame Motion Pictures Limited, Big Pictures Hospitality Services Private Limited and Headstrong Films Private Limited be merged and amalgamated with Inox Leisure Ltd. on the terms and conditions as per the draft Composite Scheme of Amalgamation with effect from the Appointed Date viz. 1st April, 2012.

RESOLVED FURTHER THAT Mr. Pavan Kumar Jain and Mr. Deepak Asher, Directors of the Company be and is hereby authorized severally to make such alteration and changes in the Composite Scheme of Amalgamation, as may be expedient and necessary for satisfying the requirement or condition imposed by any of the aforesaid High Courts and any other statutory authorities as may be required or as may be considered necessary or fit and proper, provided that prior approval of the Board shall be obtained for making any material changes in the said draft Composite Scheme of Amalgamation as approved in this meeting.

RESOLVED FURTHER THAT Mr. Pavan Kumar Jain and Mr. Deepak Asher, Directors, Mr. Suratha Satpathy, Company Secretary, and Mr. Upen Shah, Authorised Signatory of the Company be and are hereby authorized, severally to take all such steps that may be required for implementation of the Scheme.”

A copy of the Scheme, the statement under Section 393 of the Companies Act, 1956, the Form of Proxy, and the Attendance Slip for the meeting are enclosed.

Sd/-
Chairman appointed for the meeting

Mumbai

Dated this 2nd Day of February 2013

Registered Office:

9th Floor, Viraj Towers,
Next to Andheri Flyover,
Western Express Highway,
Andheri (East),
Mumbai – 400 093,

- NOTE: 1. All alterations made in the Form of Proxy should be initialed;
2. Only the registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the Equity Shareholders meeting.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTIONS NO. 44 OF 2013**

In the matter of:

The Companies Act, 1956 and Sections 100 to 104 and 391 to 394 of the Companies Act, 1956.

And

In the matter of:

Fame India Limited a Company having its registered office at 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093

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Fame India Limited	)	
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provisions of the Companies Act, 1956,	)	
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9 th Floor, Viraj Towers, Next to Andheri Flyover,	)	
Western Express Highway, Andheri (East), Mumbai – 400 093,	)	... Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

In this statement, capitalized terms unless otherwise defined herein, shall have the meaning ascribed to them in the enclosed Composite Scheme of Amalgamation (“**Scheme**”) between Fame India Limited (“**FIL**” or “**Applicant Company**”), Fame Motion Pictures Limited (“**FMPL**”), Big Pictures Hospitality Services Private Limited (“**BPHSPL**”), Headstrong Films Private Limited (“**HFPL**”) and Inox Leisure Limited (“**Inox**”).

The following statement as required under Section 393 of the Companies Act, 1956 sets forth the terms of the proposed Scheme, its effects and, in particular any material interests of the the Directors, if any.

1 ORDER OF THE HIGH COURT OF BOMBAY

1.1 The Hon’ble High Court of Bombay by its Order dated 30 January 2013 in the above Company Summons for Directions, has directed Applicant Company to convene a meeting of its equity shareholders for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme in terms of the Resolution set out in the Notice. The detailed terms and conditions of the arrangement are set out in the Scheme, a copy which is annexed to this Notice.

2 SCHEME AND ITS APPROVAL BY THE BOARD OF DIRECTORS

2.1 The proposed Scheme *inter alia* envisages the amalgamation of the Undertaking of FIL, FMPL, BPHSPL and HFPL with Inox, on the terms and conditions more particularly set out in the Scheme.

2.2 A draft of the Scheme was placed for consideration before the respective Boards of Directors of FIL, FMPL, BPHSPL, HFPL and Inox at their respective meetings all held on 13th September, 2012, and has been duly approved thereat. The consideration proposed to be payable upon the Scheme coming into effect is based on the recommendations set out in the Valuation Report of Grant Thornton India LLP and Fairness Report issued by Enam Securities Private Limited, which have also been duly approved by the respective Boards of Directors of FIL, FMPL, BPHSPL, HFPL and Inox. Accordingly, upon the Scheme coming into effect, the consideration proposed to be paid to the equity shareholders of FIL, FMPL, BPHSPL and HFPL whose names are recorded in the register of members of the respective company on the Record Date (as defined in the Scheme) is as follows:

2.2.1 5 (Five) fully paid up equity shares of Rs 10/- each of Inox shall be issued/allotted for every 8 (Eight) fully paid equity share of Rs 10 each held by such shareholder in FIL; and

- 2.2.2 1 (One) fully paid up equity shares of Rs 10/- each of Inox shall be issued/allotted for every 74 (Seventy Four) fully paid equity share of Rs 10 each held by such shareholder in HFPL.
- 2.2.3 All equity shares held by Inox in FIL, on the last of the dates of the Orders passed by the High Courts sanctioning the Scheme, shall by virtue of this Scheme, and without any further act, instrument or deed, be vested and deemed to be vested, in the trustees of Inox Benefit Trust, to hold such shares in trust together with all additions or accretions thereto exclusively for the benefit of Inox. It is proposed that the Trustees may, subject however to the prevailing market conditions, sell, transfer or dispose of the shares held at such time or times and in such manner as may be proper in accordance with the provisions of the Trust Deed and shall remit the proceeds thereof to Inox.
- 2.2.4 No shares shall be required to be issued and allotted in respect of the equity shares held by FIL in FMPL and HFPL. Further, since FMPL and BPHSPL are wholly owned subsidiary of FIL, no shares shall be required to be issued and allotted in respect of the equity shares held by FIL in FMPL and BPHSPL. Also, no equity shares shall be issued for the Preference shares held by FMPL in FIL. These equity shares and preference shares (held by FIL and FMPL respectively) shall be deemed to be cancelled and shall stand extinguished.
- 2.2.5 It is proposed that the equity shares of Inox issued upon the Scheme coming into effect, will be listed on the National Stock Exchange ("NSE") and the BSE Limited ("BSE").

3 BRIEF DETAILS OF FIL

- 3.1 FIL was incorporated on the 26th day of October, 1999 as a private company limited by shares as per the provisions of the Act under the name and style of Shringar Cinemas Private Limited. Its name was changed to Shringar Cinemas Limited vide certificate of change of name of company dated 24th December, 2004. Thereafter, vide a fresh certificate of incorporation dated 25th January, 2008 its name was further changed to its present name, i.e Fame India Limited.
- 3.2 The registered office of FIL is presently situated at the 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai 400 093, Maharashtra, India. FIL is currently engaged in the business of *inter alia* owning, operating and managing multiplexes and cinema theaters in India.
- 3.3 The main objects of FIL as set out in its Memorandum of Association are set out hereunder:
- "1. To carry on the business of Proprietors, Agents, Managers, Lessees, Hirers, Licencees, Partners of Multiplexes, Studios, Theatres, places of amusements or entertainments, Music Halls, Cinemas, Picture Places and Concert halls, Play Pools and Game Parlours, Shopping Arcades etc. and for these purposes construct and/or acquire theatres, sound and recording equipments and all other Plant and machinery required for purpose of attaining the above object.
 2. To carry on the Business of Proprietors, Agents, Managers, Lessors, Hirers, Licensors, Partners of Organising and conducting shows, concerts, Stage Shows and Plays, Mega Events, Events of Glamour, Pomp and Show, Events of World Importance and in general show Business and Import & Export of Talent and to act as Motion Pictures, T.V., Video Software Manufacturers, Producers, Distributors, Exhibitors, Exploiters and Importers and Exporters in India and Abroad of all types and formats of Indian/Foreign Films, Serials and Software and to own and conduct Film, T.V., Video and Software Studios and franchises thereof."
- 3.4 The capital structure of FIL as on 31st March, 2012 is as set out below:

Particulars	Rs.
AUTHORISED SHARE CAPITAL	
6,29,90,000 equity shares of Rs. 10 each.	62,99,00,000
10,000 preference shares of Rs. 10 each.	1,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
5,52,74,143 equity shares of Rs. 10 each fully paid up.	55,27,41,430
1,000 (10%) preference shares of Rs. 10 each fully paid up.	10,000

After 31st March, 2012, FIL has issued 25,386 shares to its employees under Employee Stock Option Plan ("ESOP"). Post issuance of the ESOP shares, the issued and subscribed and paid up share capital of FIL as on 13th September, 2012 is as set below:

Particulars	Rs.
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
5,52,99,529 equity shares of Rs. 10 each fully paid up.	55,29,95,290
1,000 (10%) preference shares of Rs. 10 each fully paid up.	10,000

Post 13th September, 2012, there has been no change in the issued, subscribed and paid-up share capital of FIL.

- 3.5 The equity shares of FIL are listed on BSE and NSE. As per the requirements of Clause 24(f) of the Listing Agreement, FIL had made applications dated 25 September 2012 to BSE and to NSE for obtaining their "No – objection" to the Scheme. BSE has given its "No – objection" to the Scheme by its letter dated 15th October, 2012 and NSE has given its "No – objection" to the Scheme by its letter dated 10th October, 2012.

4 BRIEF DETAILS OF FMPL

- 4.1 FMPL was incorporated on the 19th day of April, 1999 as per the provisions of the Act, as a private limited company under the name and style of Shringar Films Private Limited. FMPL was converted into a public company under the provisions of the Act and its name was changed to Shrinagar Films Limited vide a certificate of incorporation dated 5th June 2006. Thereafter, its name was changed to its present name, i.e. Fame Motion Pictures Limited, vide a certificate of incorporation dated 14th April 2011.

- 4.2 FMPL is a wholly owned subsidiary of FIL.
- 4.3 The registered office of FMPL is situated at the 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai 400 093, Maharashtra, India and is engaged *inter alia* in the business of exploitation of movie rights (including distribution) and programming.
- 4.4 The main objects of FMPL as set out in its Memorandum of Association are set out hereunder:
- "1. To Act as Distributors of Feature Films, Satellite Rights and T.V. Serials and to Own and Manage Theatres and Multiplexes.*
- 2. To act as Producers, Distributors, Exhibitors, Exploiters, Traders, Exporters and Importers of Television Films and Serials, Video Films and Serials and the like, Motion Pictures, Feature films, Documentaries, Advertisement Films, Educational Films, Cultural or Historical Films, Films of Places of Tourist Interest, Films on Science and Technology, in Talkie Version or otherwise Indian / Foreign Version or otherwise in 70 mm, 35 mm, 16 mm, 8 mm, on video format, CDs or other prevalent systems or Recording or Programmes on any disc, tape, perforated media or other information storage devices or otherwise, in colour or other wise in Black and White."*
- 4.5 The capital structure of FMPL as on 31st March, 2012 is as set out below:

Particulars	Rs.
AUTHORISED SHARE CAPITAL 20,00,000 equity shares of Rs. 10 each.	2,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 9,99,900 equity shares of Rs. 10 each fully paid up.	99,99,000

5 BRIEF DETAILS OF BPHSPL

- 5.1 BPHSPL was incorporated on the 9th day of September, 2004 as per the provisions of the Act, under the name and style of Oxford Multiplex Cinemas Private Limited, as a private company limited by shares. Its name was subsequently changed to its present name, i.e. Big Pictures Hospitality Services Private Limited, vide a fresh certificate of incorporation dated 29th March, 2006.
- 5.2 BPHSPL is a wholly owned subsidiary of FIL.
- 5.3 The registered office of BPHSPL is situated at the 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai 400 093, Maharashtra, India and is engaged in the business of *inter alia* operating food courts and restaurants in India.
- 5.4 The main object of BPHSPL as set out in its Memorandum of Association is set out hereunder:
- "1. To carry on the business of hotels, motels, restaurants, café, guesthouses, tavern, refreshment rooms, boarding and lodging housekeepers, licensed victuallers, wine, beer and spirit merchants, dealers in foodstuffs of all kinds and varieties, brewers, malt stores, distillers, importers, exporters of aerated mineral and artificial waters, and other drinks, purveyors, caterers to railways, airlines, and steamship, corporations and public amusements."*
- 5.5 The capital structure of BPHSPL as on 31st March, 2012, is as set out below:

Particulars	Rs
AUTHORISED SHARE CAPITAL 50,000 equity shares of Rs. 10 each.	5,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 50,000 equity shares of Rs. 10 each fully paid up.	5,00,000

6 BRIEF DETAILS OF HFPL

- 6.1 HFPL was incorporated on the 9th day of September, 2004 as per the provisions of the Act, under the name and style of Parkville Multiplex Cinemas Private Limited, as a private company limited by shares. Its name was subsequently changed to its present name, i.e. Headstrong Films Private Limited, vide a fresh certificate of incorporation dated 25th July 2008.
- 6.2 HFPL is a 99.99% subsidiary of FIL.
- 6.3 The registered office of HFPL is situated at the 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai 400 093 and is engaged in the business of film production and distribution in India.
- 6.4 The main object of HFPL as set out in its Memorandum of Association is set out hereunder:
- "1. To carry on business and act as producer, distributor, exhibitor, trader, dealer, importer, exporter of films such as feature films, commercial films, advertisement films, educational films, video films, motion pictures, serials, documentaries for telecasting in television, theatres or otherwise and to engage in entertainment industry either by owning studios, theatres, multiplexes, place of amusements, halls, malls or by organising or facilitating sound and recording equipments, machineries and to manage or organise events of shows, concerts and plays."*

6.5 The capital structure of HFPL as on 31st March, 2012, is as set out below:

Particulars	Rs
AUTHORISED SHARE CAPITAL 10,000 equity shares of Rs. 10 each.	1,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 10,000 equity shares of Rs. 10 each fully paid up.	1,00,000

7 BRIEF DETAILS OF INOX

- 7.1 Inox was incorporated on 9th November 1999 with the Registrar of Companies, New Delhi as a public company limited by shares, under the provisions of the Act, under the name and style of its present name, i.e. Inox Leisure Limited.
- 7.2 The registered office of Inox is situated at ABS Towers, Old Padra Road, Vadodara 390007, Gujarat, India and is engaged in the business of *inter alia*, owning, operating and managing multiplexes and cinema theatres in India.
- 7.3 The main objects of Inox as set out in its Memorandum of Association are set out hereunder:
1. *"To carry on 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, hotel and tourism related industries.*
 2. *To secure, develop, operate, collaborate, construct, maintain, manage, promote, own, procure, utilize and/or to initiate, either alone or in association with others in with tie-ups, agreements, joint ventures, collaborations, or otherwise Multiplex Entertainment Complexes, including Multiple Cinema, three dimensional cinemas, seat simulators, etc. inside and/or outside India.*
 3. *To acquire land/or buildings, or parts thereof, to construct and/or demolish cinema / theatre halls, to acquire, purchase, hire, take / give on lease, sell, cinema/ theater halls, cinema/ film projection equipment, sound equipment, air conditioning plants or equipments or any other plant, machinery or equipment for on in connection with or ancillary to film production, exhibition or distribution, to purchase /sell/ hire/rent/lease buildings or parts thereof, and to otherwise carry on real estate business of any kind.*
 4. *To carry on the business of providing leisure entertainment, cultural promotion, amusement, sports health units, including amusement arcades, food courts, food plazas, fashion outlets, video parlours, gokarting facilities, bowling, gold courses fitness centers health centers, weight reduction centers restaurant eateries, fast-food centers, etc, as well as carry on all kinds of like business relating to entertainment, recreation, amusement, games sports, hotels, resorts, holiday resorts, motels restaurants and tourism related industries.*
 5. *To establish, construct, manage and sound recording studios, cinematography and synchronizing studios and laboratories and to produce cinematographic and video films, feature entertainment, educational scientific and technical films, and to engage in the business of production distribution and extrication of film produced in India or abroad, with rights of exhibiting, releasing leasing, renting distributing, redistributing, etc, and in espousing of these rights.*
 6. *To acquire, purchase, procure under lease, rent or contract, studios, theatres, cinemas, auditoriums music halls, and other places of amusement entertainment, travelling, bioscope talks, and film production and processing studios, sound recording studios, laboratories and all kinds of plant machinery equipment, structures, fixtures, indoor and outdoor mobile filming and recording vehicle vans and systems necessary or required to facilitate the operations of the company and objects contained herein, whether in India or abroad.*
 7. *To establish, cable television networks in cities, towns villages, or elsewhere, whether in India and abroad alone or in association with others, and to sell such cable television programs, or transmission time for exchange or consideration other than financial, but for mutual benefit and gain, and to obtain licenses clearances, permissions, from central and state governments and their agencies, metropolitan municipal and urban authorities in India or abroad for the establishment of cable television networks, and for carrying on of business of the company and to facilitate its activities.*
 8. *To hire or acquire satellite broadcast transmission channels and use them for the purpose and businesses of the company, and re-hire or lease them to other governments, agencies, institutions, private organizations, concerns, associations and individuals in India and abroad and join in channel sharing with others.*
 9. a) *To promote, develop, generate, distribute, accumulate, transmit, supply and/or sell, electricity and/or power, by installing power plant(s), whether for captive consumption by any unit / division of the Company, or for sale to any Group Company or third party, including any State Electricity Board or Distribution Company, whether based on thermal, hydel, gas, solar, wind energy, tidal energy, or any other source, whether conventional or non-conventional, and to lay down and / or to establish power stations, cables, transmission lines, towers, sub-stations, terminals and /or other works for the aforesaid purposes and to promote form, acquire, run and/ or manage any company or undertaking engaged in similar activities, within the policies, if any, laid down by the Central Government from time to time, and for any or all the aforesaid purposes, to do all the ancillary activities as may be necessary or beneficial or desirable, including all activities relating to the establishment, operation and maintenance or a power plant."*

7.4 The capital structure of Inox as on 31st March, 2012, is set out below:

Particulars	Rs.
AUTHORISED SHARE CAPITAL	
7,50,00,000 equity shares of Rs. 10 each.	75,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
61,895,548 equity shares of Rs 10 each fully paid up	61,89,55,480
(Less) 338,157 equity shares of Rs 10 each issued to ESOP Trust but not allotted to employees	(33,81,570)
Adjusted issued, subscribed and paid up capital	61,55,73,910

7.5 The equity shares of Inox are listed on BSE and NSE. As per the requirements of Clause 24(f) of the Listing Agreement, Inox had made applications dated 25th September, 2012 to BSE and to NSE for obtaining their “No – objection” to the Scheme. BSE has given its “No – objection” to the Scheme by its letter dated 15th October, 2012, and NSE has given its “No – objection” to the Scheme by its letter dated 10th October, 2012.

8 BENEFITS FROM THE SCHEME

1. All the companies to the Scheme are companies forming part of Inox group of companies. In order to consolidate their businesses and reap the benefits of operational synergy and enhance shareholder value, the board of each of the companies has proposed this Scheme. As a result of the Scheme, Inox will become the single ultimate owner of all businesses being conducted by companies involved in the Scheme. This will help increasing of stakeholders’ value. Some of major benefits expected to accrue if the Scheme is sanction are:-
 - (a) better and more efficient management, control and running of the businesses of the Undertakings of the companies concerned and consolidate the businesses of the companies concerned;
 - (b) economies of scale, reduction in overheads and other expenses, reduction in administrative and procedural work, elimination of duplication of work, better and more productive and effective utilisation of the combined resources of all the companies and will enable Inox to effect internal economies and optimize productivity;
 - (c) formation of a larger company with larger resources and financial base resulting in optimum growth and development of the businesses of the companies concerned and exploitation of the potential thereof. The said Scheme will enable the undertakings and businesses of all the companies concerned to obtain greater facilities possessed and enjoyed by one large company compared to a number of small companies for raising capital, securing and conducting trade on favourable terms and other benefits.
 - (d) rationalisation and streamlining of management, business and finances and will pave way for better, more productive and economical control of the running of the operations.
 - (e) integrated and synergistic growth of the companies concerned and result in consolidation of the operations. The businesses of all the companies can be combined effectively and efficiently resulting in optimum growth and development of Inox.
 - (f) furthering and fulfilling the objects of the companies concerned and in the growth, expansion and development of their respective businesses.
 - (g) Vertical integration of the operations of the said companies.

9 SALIENT FEATURES OF THE SCHEME

Following is the extracts of the Scheme. References are those as mentioned in the Scheme.

“Appointed Date” means opening business hours of April 1, 2012.

“Effective Date” means the later of: (i) the date on which all the conditions and matters referred to in Parts I, II and III, of the Scheme have been fulfilled; and (ii) the date on which the last of the certified copy of the Order of the High Court of Judicature at Bombay and the High Court of Gujarat at Ahmedabad sanctioning the Scheme of Amalgamation is filed with the Registrar of Companies, of Maharashtra at Mumbai and Registrar of Companies, Gujarat at Ahmedabad.

3. AMALGAMATION OF THE TRANSFEROR COMPANIES WITH INOX

- 3.1. Upon the Scheme being effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Undertakings of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in Inox, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of Inox, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting any of the Transferor Companies or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to any of the Transferor Companies, and which shall be deemed to have been vested in Inox by virtue of the amalgamation and Inox shall not be obliged to create any further or additional security therefore after coming into effect of this Scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, Inox will create the security in terms of the issue or arrangement in relation thereto. Similarly, Inox shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

- 3.2. *With respect to the assets forming part of the Undertakings of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Companies without any further act or execution of an instrument with the intent of vesting such assets in Inox as on the Appointed Date.*
- 3.3. *Subject to the provisions of Clause 3.4 below, with respect to the assets of the Undertakings of the Transferor Companies other than those referred to in Clause 3.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Inox on the Effective Date pursuant to the provisions of Section 394 of the Act, with effect from the Appointed Date. It is hereby clarified that all the investments made by Transferor Companies and all the rights, title and interests of Transferor Companies in any leasehold properties in relation to the Undertakings of the Transferor Companies shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Inox.*
- 3.4. *With respect to the immovable properties comprised in the Undertakings of the Transferor Companies and situated within the States of West Bengal, Tamil Nadu and Karnataka, whether owned or leased, and forming part of the Undertakings of the Transferor Companies, for the purpose inter alia of payment of stamp duty, and vesting unto Inox each of the Transferor Companies shall, immediately before the Effective Date, execute and register or cause so to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of Inox in respect of such immovable properties.*
- 3.5. *For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of Transferor Companies, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by Transferor Companies, be transferred to and vested in Inox.*
- 3.6. *Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Transferor Companies is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of Inox and shall be binding on and be enforceable by and against Inox as fully and effectually as if Inox had at all material times been a party thereto. Any inter-se contracts between any of the Transferor Companies on one hand and Inox on the other hand shall stand cancelled and cease to operate in Inox upon the coming into effect of this Scheme.*
- 3.7. *Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertakings of the Transferor Companies occurs by virtue of this Scheme, Inox 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 tripartite arrangements with any party to any contract or arrangement to which any of 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. Inox shall under the provisions of Part II of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Companies to carry out or perform all such formalities or compliances referred to above on the part of any of the Transferor Companies, as the case may be, to be carried out or performed.*
- 3.8. *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 Transferor Companies 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.*
- 3.9. (a) *All debts, liabilities, duties and obligations of Transferor Companies as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Transferor Companies which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of Inox.*
 (b) *Where any of the liabilities and obligations attributed to any of the Transferor Companies on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of Inox. Where after the Appointed Date, Transferor Companies has taken any further loans, liabilities or obligations, such further loan shall also be deemed to have been for and on behalf of Inox and Inox will assume liability for the same.*
 (c) *Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, Transferor Companies and Inox shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Maharashtra and Gujarat, Dadra and Nagar Haveli to give formal effect to the above provisions.*
 (d) *If and to the extent there are loans, deposits or balances inter-se between Transferor Companies and Inox, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of Inox. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between any of the Transferor Companies and Inox from the Appointed Date.*

- (e) *With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between any of the Transferor Companies and Inox from the Appointed Date.*
- (f) *Any tax liabilities under the Income Tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, entertainment tax as applicable to any State in which Transferor Companies operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or Corporation Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "Tax Laws") to the extent not provided for or covered by tax provision in the Transferor Companies accounts made as on the date immediately preceding the Appointed Date shall be transferred to Inox. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to Inox.*
- (g) *Any refund under the Tax Laws due to Transferor Companies consequent to the assessment and which have not been received by the Transferor Companies as on the date immediately preceding the Appointed Date shall also belong to and be received by Inox.*
- (h) *Without prejudice to the generality of the above, all benefits including under Tax Laws, to which Transferor Companies is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in Inox.*

3.10. *Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been stand and transferred to and vested in Inox, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of Inox on the same terms and conditions as were applicable to the Transferor Companies and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.*

4. PERMITS, CONSENTS AND LICENSES

All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to Transferor Companies, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to Inox so as to become as and from the Appointed Date the estates, assets, rights, title, interests and authorities of Inox and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the Licenses, permit, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and or perfected, in the record of the Appropriate Authority, in favor of Inox, Inox is authorized to carry on business in the name and style of Transferor Companies and under the relevant license and or permit and or approval, as the case may be, and Inox shall keep a record and/or account of such transactions.

5. EMPLOYEES

Upon transfer to and vesting of the Undertakings of the Transferor Companies unto Inox taking place, as provided herein, Inox undertakes to engage on and from the date on which this Scheme becomes operative all the employees of Transferor Companies on the same terms and conditions on which they are engaged by Transferor Companies without any interruption of service as a result of the transfer and vesting of the Undertakings of the Transferor Companies into Inox. Inox agrees that the services of all such employees with Transferor Companies prior to the transfer and vesting of the Undertakings of the Transferor Companies into Inox shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund, and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by Inox and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognised by the concerned authorities by Inox. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively.

6. EMPLOYEES STOCK OPTION

6.1. *Upon the Scheme becoming effective, the stock options granted by Fame under Fame ESOP to the Eligible Employees shall automatically stand cancelled. Further and simultaneously with the cancellation of the stock options under Fame ESOP, Inox shall issue and Eligible Employees shall receive stock options either under (i) Existing Employees Stock Option Plan or (ii) revised Employees Stock Option Plan; or (iii) a distinct and separate employee stock option plan of Inox formed and organized for granting stock options to Eligible Employees ("Inox Stock Option Plan").*

6.2. *To implement the above provisions of this Scheme, Inox shall issue stock options pursuant to Inox Stock Option Plan to the Eligible Employees on the basis of the Stock Exchange Ratio in the following manner:*

6.2.1. *For every [8]option held under Fame ESOP, the Eligible Employees shall be issued [5]options under Inox Stock Option Plan;*

- 6.2.2. Every Eligible Employee to whom options are issued under Inox Stock Option Plan shall be entitled to subscribe and acquire equity shares in Inox in the ratio as stipulated in Clause 6.2.3 below.
- 6.2.3. Every [1] option(s) issued under Inox Stock Option Plan shall entitle the holder thereof to acquire [1] equity share(s) of Inox.
- 6.3. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by Inox to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees as adjusted after taking into account the effect of Share Exchange Ratio.
- 6.4. The grant of options to the Eligible Employees pursuant to clause 6.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of Inox to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Inox Stock Option Plan and the existing employees stock option plan including without limitation for the purposes of creating the Inox Stock Option Plan and/or modifying the Inox Stock Option Plan and/or the Existing Employees Stock Option Plan (including increasing the maximum of number of equity shares that can be issued consequent to the exercise of the stock option granted under the Existing Employees Stock Option Plan and/or modifying the exercise price of the stock option under the Inox Stock Option Plan and/or the Existing Employees Stock Option Plan), and all related matters. No further approval of the shareholders of Inox would be required in this connection under section 81(1A) of the Act.
- 6.5. It is hereby clarified that in relation to the options granted by Inox to the Eligible Employees, the period during which the options granted by Fame were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under the applicable law or agreement or deed for stock options granted under the Inox Stock Option Plan or the Existing Employee Stock Option Plan as the case may be.
- 6.6. The boards of directors of Fame and Inox or any of the committee(s) thereof including the compensation and remuneration committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

7. LEGAL PROCEEDINGS

- 7.1. If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "the Proceedings") by or against Transferor Companies be pending on the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against Inox in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if the Scheme had not been made. On and from the Appointed Date, Inox shall and may initiate any legal proceeding for and on behalf of Transferor Companies.
- 7.2. The transfer and vesting of the Undertakings of the Transferor Companies under the Scheme and the continuance of the proceedings by or against Inox under Clause 7.1 shall not affect any transaction or proceeding already completed by Inox on and after the Appointed Date and prior to this Scheme becoming effective to the end and intent that Inox accepts all acts, deeds and things done and executed by and/or on behalf of Transferor Companies as acts, deeds and things done and executed by and on behalf of Inox.

8. CONSIDERATION

- 8.1. Notwithstanding anything to the contrary contained in this Scheme, all equity shares held by Inox in Fame, on the last of the dates of the Orders passed by the High Courts sanctioning the Scheme, shall by virtue of this Scheme, and without any further act, instrument or deed, be vested and deemed to be vested, in the trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) (hereinafter referred to as the "Trustees") of an irrevocable trust to be settled by Inox (hereinafter referred to as "Inox Benefit Trust"), to hold such shares in trust together with all additions or accretions thereto exclusively for the benefit of Inox subject to powers, provisions, discretions, rights and agreements as contained in relevant trust deed ("Trust Deed") established the aforesaid trust (the "Trust"). It is proposed that the Trustees may, subject however to the prevailing market conditions, sell, transfer or dispose of the shares held at such time or times and in such manner as may be proper in accordance with the provisions of the Trust Deed and shall remit the proceeds thereto Inox. The obligations of the Trustees shall stand discharged and the Trust shall stand terminated in accordance with the provisions of Trust Deed. Immediately up on transfer of equity shares by Inox to Inox Benefit Trust, the registrar and transfer agent of Fame, shall update the register of members of Fame.
- 8.2. After giving effect to Clause 8.1 above, and upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertakings of the Transferor Companies in Inox pursuant to this Scheme: (i) no shares shall be required to be issued and allotted in respect of the equity shares held by Fame in FMPL and HFPL; (ii) since FMPL and BPHSPL are wholly owned subsidiary of Fame, no shares shall be required to be issued and allotted in respect of the equity shares held by Fame in FMPL and BPHSPL; and (iii) No equity shares shall be issued for the Preference shares held by FMPL in Fame. These equity shares and preference shares (held by Fame and FMPL respectively) shall be deemed to be cancelled and shall stand extinguished without any further act, deed or thing of the Transferor Companies.
- 8.3. Subject Clause 8.1 and Clause 8.2 above, Inox shall without any further application, act, instrument or deed, issue and allot to each equity shareholder of each of the Transfer Companies whose name is recorded in the register of members of each of the Transfer Companies on the Record Date in the following ratio ("Share Exchange Ratio"):

- 8.3.1 5 (Five) fully paid up equity shares of Rs 10/- each of Inox shall be issued/allotted for every 8(Eight) fully paid equity share of Rs 10 each held by such shareholder in Fame; and
- 8.3.2 1(One) fully paid up equity shares of Rs 10/- each of Inox shall be issued/allotted for every 74(Seventy Four) fully paid equity share of Rs 10 each held by such shareholder in HFPL
- 8.4. The Share Exchange Ratio has been arrived at on basis of the valuation report of Grant Thornton India LLP. Further, Enam Securities Private Limited has provided a fairness report on the fairness of the Share Exchange Ratio determined for the vesting of the Undertakings of the Transferor Companies into Inox. The valuation report and fairness report as aforesaid have been duly approved by the board of directors of each of the Transferor Companies and Inox.
- 8.5. The equity shares to be issued and allotted by Inox in terms of Clauses 8.3 above shall be subject to the provisions of the memorandum and articles of association of Inox and shall rank *pari passu* in all respects with the existing equity shares of Inox. It is hereby clarified that the new equity shares allotted by Inox to the shareholders for the Transferor Companies pursuant to this Scheme shall not be entitled to any dividend declared, distributed by Inox before the Effective Date.
- 8.6. No fractional shares shall be issued by Inox in respect of the fractional entitlements, if any, to which the equity shareholders of Transferor Companies may be entitled to under the Scheme and all such fractional entitlements shall be consolidated into whole shares and be allotted to such person, persons or entities (including one or more of the directors and/or officers of Inox) as may be nominated by the board of directors of Inox as trustee(s) for sale thereof at such price as may be approved by such trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements.
- 8.7. Equity shares of Inox issued in terms of Clause 8.3 above shall be listed on the relevant stock exchange/s, where the existing equity shares of Fame are listed and Inox shall pay the appropriate fee and incur all costs for the same. Inox shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Law for complying with the formalities of the relevant stock exchanges;
- 8.8. The new equity shares issued pursuant to Clause 8.3 above shall be issued in the dematerialized form by Inox unless otherwise notified in writing by the shareholders of the Transferor Companies to Inox on or before such date as may be determined by the board of directors of Inox or a committee thereof. In the event, such notice has not been received by Inox in respect of any of the members of Fame, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Fame shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Inox shall issue and directly credit the dematerialized securities account of such members of Transferor Companies. In the event that Inox has received the notice from any of the shareholders of Transferor Companies that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then Inox shall issue the new equity shares in certificate form in such number.
- 8.9. Unless otherwise determined by the board of directors or any committee thereof of Transferor Companies and the board of directors or any committee thereof of Inox, allotment of shares in terms of Clause 8.3 shall be done within the prescribed statutory period from the Effective Date.
- 8.10. The equity shares to be issued pursuant to this Scheme by Inox in respect of the equity shares of Transferor Companies which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Inox.
- 8.11. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Fame, the board of directors or any committee thereof, of Fame at the sole discretion shall be empowered in appropriate cases, even subsequent to the Effective Date as the case may be to effectuate such a transfer in Fame as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the board of directors of Inox shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Inox on account of difficulties faced in the transition period.
- 8.12. The issue and allotment of equity shares by Inox to the equity shareholders of Transferor Companies as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Inox as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with.

PART III

GENERAL PROVISIONS

9. COMBINATION OF AUTHORISED CAPITAL

- 9.1. Upon the Scheme being effective, the authorised share capital of each of the Transferor Companies will get merged with that of Inox without payment of any additional fees and duties as the said fees have already been paid. The authorised share capital of Inox will be increased to that effect by simply filing the requisite forms and no separate procedure shall be required to be followed under the Act.
- 9.2. Consequently, the Memorandum of Association and the Articles of Association of Inox shall without any act, instrument or deed be

and stand altered, modified and amended pursuant to Sections 16, 17, 31 and 394 and other applicable provisions of the Companies Act, 1956 as set out below:

- (a) The authorised share capital of Inox is Rs 1,40,06,00,000 (Rupees One Hundred Forty Crore and Six lacs) divided into 14,00,50,000 (Fourteen Crore Fifty Thousand) Equity Shares of Rs 10/-(Rupees Ten) each and 10,000 (Ten Thousand) Preference Shares of Rs 10/-(Rupees Ten) each.
- (b) 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 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

“The Authorised Share Capital of the Company is Rs 1,40,06,00,000 (Rupees One Hundred Forty Crore and Six lacs) divided into 14,00,50,000 (Fourteen Crore 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.”

It is clarified that the approval of the members and shareholders of Inox to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of Inox as required under section 17 and other applicable provisions of the Act.

10. DIVIDENDS

- 10.1. The Transferor Companies 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 the Transferor Companies only with the prior written consent of the Board of Directors of Inox.
- 10.2. Subject to the provisions of the Scheme, the profits of the Transferor Companies, 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.
- 10.3. 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 the Transferor Companies 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.

11. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF INOX

On the Scheme becoming effective, Inox shall account for the amalgamation in its books as under:

- (a) Amalgamation of Transferor Companies shall be accounted for in accordance with Pooling of Interest Method of accounting as per the Accounting Standard 14 as notified under Section 211(3C) of the Act.
- (b) All assets and liabilities, including reserves, of Transferor Companies transferred to Inox under the Scheme shall be recorded in the books of account of Inox at the book value as recorded in books of account of Transferor Companies, except to ensure uniformity of accounting policies.
- (c) The difference between the share capital of Transferor Companies and face value of new equity shares issued in terms of Clause 8.3 above to the shareholders of Transferor Companies shall be adjusted in reserves of Inox. If such difference is a surplus, then the same shall be credited to the amalgamation reserve of Inox and if such difference is a deficit, then the same shall be first adjusted against the amalgamation reserve of Inox and balance, if any, against the securities premium account of Inox.
- (d) Upon vesting of equity shares of Fame in the Inox Benefit Trust as per clause 8.1 above, the related carrying amount of investment in such shares of Fame as appearing in the books of Inox shall be reflected as “Interest in Inox Benefit Trust”, at the same value at which the related carrying amount of investment in such shares would have appeared in the books of Inox; and pursuant to the Scheme becoming effective, such book value shall not be adjusted/revalued/restated on receipt of new equity shares of Inox by Inox Benefit Trust in lieu of its holding in Fame.

12. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR INOX

Unless otherwise stated hereinafter, with effect from the Appointed Date and up to and including the Effective Date:

- 12.1. The Transferor Companies shall be deemed to have been carrying on and shall carry on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the respective assets of the Transferor Companies for and on account of, and in trust for Inox. The Transferor Companies hereby undertake to hold the said assets with utmost prudence until the Effective Date.
- 12.2. With effect from the date of the Board meeting of Transferor Companies approving the Scheme and up to and including the Effective Date, the Transferor Companies shall preserve and carry on their businesses and activities with reasonable diligence and business prudence and shall not, without the prior consent in writing of any of the persons authorised by the Board of Directors of Inox, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge,

mortgage, encumber or otherwise deal with its fixed assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Companies.

12.3. *All the profits or income, taxes (including advance tax and tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, tax losses, MAT Credit, incomes, costs, charges, expenditure or losses of Inox, as the case may be.*

12.4. *With effect from the date of the Board meeting of Inox approving the Scheme and up to and including the Effective Date, the Transferor Companies shall not, without the prior consent in writing of any of persons authorised by the Board of Directors of Inox, undertake (i) any material decision in relation to their businesses and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business, or discontinue any existing business or change the installed capacity of facilities.*

12.5. *With effect from the date of the Board meeting of Inox approving the Scheme and up to and including the Effective Date, the Transferor Companies shall not vary the terms and conditions of employment of any of their employees, without the prior consent of Inox, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date.*

12.6. *With effect from the date of the Board meeting of Inox approving the Scheme and up to and including the Effective Date, the Transferor Companies and Inox shall not, without the prior written approval of the Board of Directors of the Transferor Companies and Inox, make any change in their capital structure, whether by way of increase, decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner which may, in anyway, affect the Share Exchange Ratio (as provided in this Scheme).*

Provided that this Clause shall not apply to issue of shares to any Eligible Employees or Employees of Inox pursuant to any employee stock option plans, in the ordinary course.

12.7. *Inox shall be entitled to depute its employees and/or representatives to the office(s) of the Transferor Companies to ensure compliance with the provisions of this Scheme.*

12.8. *Inox shall be entitled, pending the sanction of the Scheme, to apply to the concerned authorities and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Inox may require to carry on the business of the Transferor Companies and to give effect to the Scheme.*

13. VALIDITY OF EXISTING RESOLUTIONS, ETC

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

14. DISSOLUTION OF THE TRANSFEROR COMPANIES

On the scheme becoming operative or effective, each of the transferor companies shall be dissolved without winding up.

15. APPLICATIONS/PETITIONS TO THE HIGH COURT AND APPROVALS

15.1. *The Transferor Companies and Inox shall, with all reasonable dispatch, make and file all applications and petitions under Sections 391 to 394 read with Sections 78, 100 to 104 and other applicable provisions of the Act before the High Court, under whose jurisdiction the registered office of each of Fame, FMPL, BPHSPL, HFPL and Inox are situated, for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.*

15.2. *Inox shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which Inox may require to own each of the Undertakings of the Transferor Companies and to carry on the business of the Transferor Companies."*

9.1 The said Scheme is not intended in any manner to have any beneficial effect on the material interests, if any, of the Directors of FIL, FMPL BPHSPL, HFPL and Inox. The Directors may be considered to be interested in the Scheme to the extent of their respective shareholdings in FIL, FMPL BPHSPL, HFPL and Inox, if any. The List of Directors of FIL, FMPL BPHSPL, HFPL and Inox and their respective shareholding in the above companies, either singly or jointly, as on 13th September, 2012 are as follows:

Company	Name of directors	Shares held in Transferor Company No.1	Shares held in Transferor Company No. 2	Shares held in Transferor Company No. 3	Shares held in Transferor Company No. 4	Shares held in Transferee Company
FIL	Pavan Jain	NIL	NIL	NIL	NIL	12,50,000
	Deepak Asher	NIL	NIL	NIL	NIL	25,000
	Amit Jatia	NIL	NIL	NIL	NIL	NIL
	Kishore Biyani	NIL	NIL	NIL	NIL	NIL

Company	Name of directors	Shares held in Transferor Company No.1	Shares held in Transferor Company No. 2	Shares held in Transferor Company No. 3	Shares held in Transferor Company No. 4	Shares held in Transferee Company
FMPL	Deepak Asher	NIL	NIL	NIL	NIL	25,000
	Alok Tandon	NIL	NIL	NIL	NIL	28,236
	Amit Jatia	NIL	NIL	NIL	NIL	NIL
	Upen Shah	NIL	NIL	NIL	NIL	100
BPHSPL	Deepak Asher	NIL	NIL	NIL	NIL	25,000
	Alok Tandon	NIL	NIL	NIL	NIL	28,236
	Upen Shah	NIL	NIL	NIL	NIL	100
HFPL	Deepak Asher	NIL	NIL	NIL	NIL	25,000
	Alok Tandon	NIL	NIL	NIL	NIL	28,236
Inox	Pavan Jain	NIL	NIL	NIL	NIL	12,50,000
	Vivek Jain	NIL	NIL	NIL	NIL	12,50,000
	Deepak Asher	NIL	NIL	NIL	NIL	25,000
	Siddharth Jain	NIL	NIL	NIL	NIL	NIL
	Haigreve Khaitan	NIL	NIL	NIL	NIL	NIL
	Sanjeev Jain	NIL	NIL	NIL	NIL	100
	Amit Jatia	NIL	NIL	NIL	NIL	NIL

9.2 Pursuant to Clause 24(h) of the Listing Agreement with the stock exchanges, the detailed pre- amalgamation and post amalgamation (expected) shareholding pattern of FIL, FMPL, BPHSPL, HFPL and Inox are as follows:

A. FIL

Category of shareholders	Pre- amalgamation
Promoter	74.37%
Public	25.63%
Custodian	0.00%
TOTAL	100.00%

Note: Please note that pursuant to the Scheme, FIL would be dissolved.

B. FMPL

Category of shareholders	Pre- amalgamation
Promoters	100%
Total	100%

Note: Please note that pursuant to the Scheme, FMPL would be dissolved.

C. BPHSPL

Category of shareholders	Pre- amalgamation
Promoters	100%
Total	100%

Note: Please note that pursuant to the Scheme, BPHSPL would be dissolved.

D. HFPL

Category of shareholders	Pre- amalgamation
Promoters	99.99%
Public	00.01%
Total	100%

Note: Please note that pursuant to the Scheme, HFPL would be dissolved.

E. Inox

Category of shareholders	Pre- amalgamation	Post amalgamation
Promoter	66.57%	44.03%
Public	33.43%	55.97%
Custodian	0.00%	0.00%
TOTAL	100.00%	100.00%

- 9.3 If the Scheme is approved as per the requirements of Section 391 of the said Act, the Applicant Company will seek the sanction of the Scheme from the Honourable Bombay High Court. Inox and the other transferor companies will also file separate Company Petitions before the Honourable High Court of Gujarat and the Honourable High Court of Bombay, as the case may be. The Scheme is conditional on and subject to terms and conditions set out in clause 18 thereof.
- 9.4 The Competition Commission of India has also passed an order dated 26th October 2012, approving the proposed Scheme.
- 9.5 The following documents will be open for inspection up to one day prior to the date of the meeting at the registered office of the Applicant Company between 10.00 a.m. and 12 noon on all working days, except Public Holidays, Saturdays and Sundays:
- Papers and proceedings in Company Application No. 620 of 2012 filed by FIL, including copies of the Orders of the Hon'ble High Court of Bombay passed therein;
 - Papers and proceedings in Company Application No. 619 of 2012 filed by FMPL, including copies of the Orders of the Hon'ble High Court of Bombay passed therein;
 - Papers and proceedings in Company Application No. 622 of 2012 filed by BPHSPL, including copies of the Orders of the Hon'ble High Court of Bombay passed therein;
 - Papers and proceedings in Company Application No. 621 of 2012 filed by HFPL, including copies of the Orders of the Hon'ble High Court of Bombay passed therein;
 - Papers and proceedings in Company Summons for Directions No. 40 of 2013 filed by FMPL before the Hon'ble High Court of Judicature at Bombay including certified copy of the Order of the Hon'ble High Court of Bombay passed therein;
 - Papers and proceedings in Company Summons for Directions No. 41 of 2013 filed by BPHSPL before the Hon'ble High Court of Judicature at Bombay including certified copy of the Order of the Hon'ble High Court of Bombay passed therein;
 - Papers and proceedings in Company Summons for Directions No. 43 of 2013 filed by HFPL before the Hon'ble High Court of Judicature at Bombay including certified copy of the Order of the Hon'ble High Court of Bombay passed therein;
 - Papers and proceedings in Company Summons for Directions No. 44 of 2013 filed by HFPL before the Hon'ble High Court of Judicature at Bombay including certified copy of the Order of the Hon'ble High Court of Bombay passed therein;
 - Papers and proceedings in Company Application No. 388 of 2012 filed by the Inox before the Hon'ble High Court of Gujarat at Ahmedabad including copy of the Order of the Hon'ble High Court of Gujarat at Ahmedabad passed therein;
 - Papers and proceedings in Company Petition No. 256 of 2012 filed by the Inox before the Hon'ble High Court of Gujarat at Ahmedabad including copy of the Order of the Hon'ble High Court of Gujarat at Ahmedabad passed therein;
 - Composite Scheme of Amalgamation;
 - Memorandum and Articles of Association of FIL, FMPL, BPHSPL, HFPL and Inox;
 - Annual Report of the Applicant Company for the financial year ended 31st March, 2012;
 - Copies of No Objection letters dated 15th October, 2012 and 10th October 2012, from the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, respectively, received by FIL;
 - Copies of No Objection letters dated 15th October, 2012 and 10th October 2012, from the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, respectively, received by Inox;
 - Copy of the valuation report dated 13th September, 2012 issued by Grant Thornton, Mumbai;
 - Copy of the fairness report dated 13th September 2012 issued by Enam Securities Private Limited; and
 - Copy of order of Competition Commission of India dated 26th October 2012 approving the proposed combination.

This statement may be treated as the statement of material facts under Section 173 and also Section 393 of the Act. A copy of the Scheme and this statement may also be obtained from the registered office of the afore named Transferor Companies during ordinary business hours on weekdays (other than Saturday and Sunday) between 9.00 am to 5.00 pm.

Sd/-

Chairman appointed for the meeting

Mumbai

Dated this 2nd Day of February 2013

Registered Office: 9th Floor, Viraj Towers, Next to Andheri Flyover,
Western Express Highway, Andheri (East), Mumbai – 400 093,

COMPOSITE SCHEME OF AMALGAMATION

(UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 78, 100 TO 104 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956)

FAME INDIA LIMITED FAME MOTION PICTURES LIMITED BIG PICTURES HOSPITALITY SERVICES PRIVATE LIMITED HEADSTRONG FILMS PRIVATE LIMITED WITH INOX LEISURE LIMITED

This Composite Scheme of Amalgamation provides for:

Amalgamation of Fame India Limited, Fame Motion Pictures Limited, Big Pictures Hospitality Services Private Limited and Headstrong Films Private Limited with Inox Leisure Limited pursuant to Sections 391 to 394 read with Sections 78, 100 to 104 and other applicable provisions of the Companies Act, 1956.

RATIONALE

- (a) Fame India Limited (hereinafter referred to as "**Fame**") is a public limited company incorporated under the provisions of the Companies Act, 1956. The shares of Fame are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Fame is a subsidiary of Inox (as hereinafter defined) and is engaged in the business of owning, operating and managing multiplexes and cinema theatres in India.
- (b) Fame Motion Pictures Limited (hereinafter referred to as "**FMPL**") is a public limited company incorporated under the provisions of the Companies Act, 1956. FMPL is a wholly owned subsidiary of Fame and is engaged in the business of exploitation of movie rights (including distribution) and programming.
- (c) Big Pictures Hospitality Services Private Limited (hereinafter referred to as "**BPHSPL**") is a private limited company incorporated under the provisions of the Companies Act, 1956. BPHSPL is a wholly owned subsidiary of Fame and is engaged in the business of operating food courts and restaurants in India.
- (d) Headstrong Films Private Limited (hereinafter referred to as "**HFPL**") is a private limited company incorporated under the provisions of the Companies Act, 1956. HFPL is a subsidiary of Fame and is engaged in the business of film production and distribution in India.
- (e) Inox Leisure Limited (hereinafter referred to as "**Inox**") is a public limited company incorporated under the provisions of the Companies Act, 1956. The shares of Inox are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited. Inox is engaged in the business of owning, operating and managing multiplexes and cinema theatres in India.
- (f) Fame, FMPL, BPHSPL and HFPL are engaged in the business of providing services which are similar and/or ancillary to the business engaged in by Inox. Further Fame, FMPL, BPHSPL, and HFPL are also direct or indirect subsidiaries of Inox.
- (g) In order to consolidate these businesses and in order to reap the benefits of operational synergy and enhance shareholder value, it is proposed to simultaneously merge Fame, FMPL, BPHSPL and HFPL with Inox.

GENERAL

This Scheme is divided into the following parts:

- (a) Part I of the Scheme deals with definitions and share capital of Fame, FMPL, BPHSPL, HFPL and Inox;
- (b) Part II of the Scheme deals with amalgamation of Fame, FMPL, BPHSPL and HFPL with Inox;
- (c) Part III of the Scheme deals with general terms and conditions applicable to the Scheme.

PART I

1. DEFINITIONS AND INTERPRETATIONS

- 1.1. In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings.

"**Act**" means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force.

"**Applicable Law**" shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.

"**Appointed Date**" means the opening hours of the business on 1 April 2012.

"**Appropriate Authority**" means any governmental, statutory, departmental or public body or authority, including Securities and Exchange Board of India; stock exchanges; Registrar of Companies, Company Law Board, Competition Commission of India, National Company Law Tribunal, the High Court of Judicature at Bombay ("**Bombay High Court**") and the High Court of Gujarat.

“BPHSPL” means Big Pictures Hospitality Services Private Limited, a company incorporated on 9 September 2004 under the provisions of the Act under Corporate Identity No U92110MH2004PTC148470 under the name, Oxford Multiplex Cinemas Private Limited. Subsequently, on 29 March 2006, the name of Oxford Multiplex Cinemas Private Limited was changed to Big Pictures Hospitality Services Private Limited. The registered office of BPHSPL is at 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093, Maharashtra, India.

“Effective Date” means the later of: (i) the date on which all the conditions and matters referred to in Parts I, II and III, of the Scheme have been fulfilled; and (ii) the date on which the last of the certified copy of the order of the Bombay High Court and the High Court of Gujarat sanctioning the Scheme is filed with the Registrar of Companies, of Maharashtra at Mumbai and Registrar of Companies, Gujarat at Ahmedabad.

“Eligible Employees” means the employees of Fame who are entitled to Fame ESOP established by Fame, to whom, as on the Record Date, options of Fame have been granted, irrespective of whether the same are vested or not.

“Existing Employees Stock Option Plan” means the employees stock option scheme 2006 established by Inox as per Employee Stock Option Plan (ESOP) Guidelines issued by SEBI.

“Fame” means Fame India Limited, a company incorporated on 26 October 1999 under the provisions of the Act under Corporate Identity No L92490MH1999PLC122381 under the name, Shringar Cinemas Private Limited. Subsequently, on 24 December 2004, the name of Shringar Cinemas Private Limited was changed to Shringar Cinemas Limited. The name of Shringar Cinemas Limited was further changed to Fame India Limited on 25 January 2008. The registered office of Fame is at 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093, Maharashtra, India.

“Fame ESOP” means the employees stock option scheme 2009 established by Fame as per Employee Stock Option Plan (ESOP) Guidelines issued by SEBI.

“FMPL” means Fame Motion Pictures Limited, a company incorporated on 19 April 1999 under the provisions of the Act under Corporate Identity No U92100MH1999PLC119506 under the name, Shringar Films Private Limited. Subsequently, on 5 June 2006, the name of Shringar Films Private Limited was changed to Shringar Films Limited. Thereafter on 14 April 2011, the name of Shringar Films Limited was changed to Fame Motion Pictures Limited. The registered office of FMPL is at 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093, Maharashtra, India.

“HFPL” means Headstrong Films Private Limited, a company incorporated on 9 September 2004 under the provisions of the Act under Corporate Identity No U92110MH2004PTC148469 under the name, Parkville Multiplex Cinemas Private Limited. Subsequently, on 25 July 2008, the name of Parkville Multiplex Cinemas Private Limited was changed to Headstrong Films Private Limited. The registered office of HFPL is at 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093.

“Inox” means Inox Leisure Limited, a company incorporated on 9 November 1999 under the provisions of the Act under Corporate Identity No L92199GJ1999PLC044045. The registered office of Inox is at ABS Towers, 2 Floor, Old Padra Road, Vadodra 390007, Gujarat, India.

“Parties” or “Parties to the Scheme” means Fame, FMPL, BPHSPL, HFPL and Inox, collectively.

“Party” shall mean Fame, FMPL, BPHSPL, HFPL or Inox, individually.

“Record Date” means the date to be fixed by the board of directors of Transferor Companies in consultation with the board of directors of Inox for the purpose of reckoning names of the equity shareholders of the Transferor Companies in accordance with Clause 8.3 of Part II of this Scheme.

“Scheme”, “the Scheme”, “this Scheme” means this composite scheme of amalgamation in its present form submitted to the Bombay High Court and the High Court of Gujarat or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the High Court or any other Appropriate Authority may direct.

“Transferor Companies” means each of the Fame, FMPL, BPHSPL and HFPL collectively.

“the Undertaking” shall mean and include all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of each of Transferor Companies, on a going concern basis, together with all their assets and liabilities and shall mean and include (without limitation):

- (a) all the movable and immovable properties including plant and machinery, equipments, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of each of the Transferor Companies, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits,

privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges concerning the business of multiplexes and cinema theatres and approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, Minimum Alternate Tax Credit ("MAT"), etc.) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Companies as on the Appointed Date;

- (b) All the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Companies as on the Appointed Date; and
- (c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Companies.

1.2. In this Scheme, unless the context otherwise requires:

- 1.2.1. words denoting singular shall include plural and vice versa;
- 1.2.2. reference in the Scheme to "coming into effect of the Scheme" or "effectiveness of the Scheme" shall mean from the Effective Date;
- 1.2.3. headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 1.2.4. references to the word "include" or "including" shall be construed without limitation;
- 1.2.5. a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 1.2.6. unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 1.2.7. references to dates and times shall be construed to be references to Indian dates and times;
- 1.2.8. reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- 1.2.9. word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

2. SHARE CAPITAL

2.1 The share capital of Fame as on 31 March 2012 is as under:

	Rs
AUTHORISED SHARE CAPITAL	
6,29,90,000 equity shares of Rs 10 each	62,99,00,000
10,000 preference shares of Rs 10 each	1,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
55,274,143 equity shares of Rs 10 each fully paid up	55,27,41,430
1,000 (10%) preference shares of Rs 10 each fully paid up	10,000

After 31 March 2012, Fame has issued 25,386 shares to its employees under Fame ESOP. Post issuance of the Fame ESOP shares, the issued and subscribed and paid up share capital of Fame as on 13 September 2012 is follows

ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
55,299,529 equity shares of Rs 10 each fully paid up	55,29,95,290
1,000 (10%) preference shares of Rs 10 each fully paid up	10,000

Post 13 September 2012, there has been no change in the issued, subscribed and paid-up share capital of Fame.

2.2 The share capital of the FMPL as on 31 March 2012 is as under:

	Rs
AUTHORISED SHARE CAPITAL	
20,00,000 equity shares of Rs 10 each	2,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
9,99,900 equity shares of Rs 10 each fully paid up	99,99,000

After 31 March 2012, there has been no change in the issued, subscribed and paid-up share capital of FMPL.

2.3 The share capital of BPHSPL as on 31 March 2012 is as under:

	Rs
AUTHORISED SHARE CAPITAL	
50,000 equity shares of Rs 10 each	5,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
50,000 equity shares of Rs 10 each fully paid up	5,00,000

After 31 March 2012, there has been no change in the issued, subscribed and paid-up share capital of BPHSPL.

2.4 The share capital of HFPL as on 31 March 2012 is as under:

	Rs
AUTHORISED SHARE CAPITAL	
10,000 equity shares of Rs 10 each	1,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
10,000 equity shares of Rs 10 each fully paid up	1,00,000

After 31 March 2012, there has been no change in the issued, subscribed and paid-up share capital of HFPL.

2.5 The share capital of Inox as on 31 March 2012 is as under:

	Rs
AUTHORISED SHARE CAPITAL	
7,50,00,000 equity shares of Rs 10 each	75,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
61,895,548 equity shares of Rs 10 each fully paid up	61,89,55,480
(Less) 338,157 equity shares of Rs 10 each issued to ESOP Trust but not allotted to employees	(33,81,570)
Adjusted issued, subscribed and paid up capital	61,55,73,910

After 31 March 2012, there has been no change in the issued, subscribed and paid-up share capital of Inox.

PART II - SCHEME OF AMALGAMATION

3. AMALGAMATION OF THE TRANSFEROR COMPANIES WITH INOX

- 3.1. Upon the Scheme being effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Undertakings of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in Inox, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of Inox, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting any of the Transferor Companies or any part thereof, provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to any of the Transferor Companies, and which shall be deemed to have been vested in Inox by virtue of the amalgamation and Inox shall not be obliged to create any further or additional security therefore after coming into effect of this Scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, Inox will create the security in terms of the issue or arrangement in relation thereto. Similarly, Inox shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.
- 3.2. With respect to the assets forming part of the Undertakings of the Transferor Companies that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Companies without any further act or execution of an instrument with the intent of vesting such assets in Inox as on the Appointed Date.
- 3.3. Subject to the provisions of Clause 3.4 below, with respect to the assets of the Undertakings of the Transferor Companies other than those referred to in Clause 3.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Inox on the Effective Date pursuant to the provisions of Section 394 of the Act, with effect from the Appointed Date. It is hereby clarified that all the investments made by Transferor Companies and all the rights, title and interests of Transferor Companies in any leasehold properties in relation to the Undertakings of the Transferor Companies shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in Inox.
- 3.4. With respect to the immovable properties comprised in the Undertakings of the Transferor Companies and situated within the States of West Bengal, Tamil Nadu and Karnataka, whether owned or leased, and forming part of the Undertakings of the Transferor Companies, for the purpose *inter alia* of payment of stamp duty, and vesting unto Inox each of the Transferor Companies shall, immediately before the Effective Date, execute and register or cause so to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of Inox in respect of such immovable properties.

- 3.5. For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of Transferor Companies, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by Transferor Companies, be transferred to and vested in Inox.
- 3.6. Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Transferor Companies is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of Inox and shall be binding on and be enforceable by and against Inox as fully and effectually as if Inox had at all material times been a party thereto. Any inter-se contracts between any of the Transferor Companies on one hand and Inox on the other hand shall stand cancelled and cease to operate in Inox upon the coming into effect of this Scheme.
- 3.7. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertakings of the Transferor Companies occurs by virtue of this Scheme, Inox 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 tripartite arrangements with any party to any contract or arrangement to which any of 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. Inox shall under the provisions of Part II of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Companies to carry out or perform all such formalities or compliances referred to above on the part of any of the Transferor Companies, as the case may be, to be carried out or performed.
- 3.8. 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 Transferor Companies 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.
- 3.9.
 - (a) All debts, liabilities, duties and obligations of Transferor Companies as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Transferor Companies which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of Inox.
 - (b) Where any of the liabilities and obligations attributed to any of the Transferor Companies on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of Inox. Where after the Appointed Date, Transferor Companies has taken any further loans, liabilities or obligations, such further loan shall also be deemed to have been for and on behalf of Inox and Inox will assume liability for the same.
 - (c) Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, Transferor Companies and Inox shall execute any instruments or documents or do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Maharashtra and Gujarat, Dadra and Nagar Haveli to give formal effect to the above provisions.
 - (d) If and to the extent there are loans, deposits or balances inter-se between Transferor Companies and Inox, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of Inox. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between any of the Transferor Companies and Inox from the Appointed Date.
 - (e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between any of the Transferor Companies and Inox from the Appointed Date.
 - (f) Any tax liabilities under the Income Tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, entertainment tax as applicable to any State in which Transferor Companies operates, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, or Corporation Tax, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Transferor Companies accounts made as on the date immediately preceding the Appointed Date shall be transferred to Inox. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to Inox.
 - (g) Any refund under the Tax Laws due to Transferor Companies consequent to the assessment and which have not been received by the Transferor Companies as on the date immediately preceding the Appointed Date shall also belong to and be received by Inox.
 - (h) Without prejudice to the generality of the above, all benefits including under Tax Laws, to which Transferor Companies is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in Inox.
- 3.10. Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Transferor Companies shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and

stand transferred to and vested in and/or deemed to have been stand and transferred to and vested in Inox, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of Inox on the same terms and conditions as were applicable to the Transferor Companies and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.

4. **PERMITS, CONSENTS AND LICENSES**

All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to Transferor Companies, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to Inox so as to become as and from the Appointed Date the estates, assets, rights, title, interests and authorities of Inox and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the Licenses, permit, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and or perfected, in the record of the Appropriate Authority, in favor of Inox, Inox is authorized to carry on business in the name and style of Transferor Companies and under the relevant license and or permit and or approval, as the case may be, and Inox shall keep a record and/or account of such transactions.

5. **EMPLOYEES**

Upon transfer to and vesting of the Undertakings of the Transferor Companies unto Inox taking place, as provided herein, Inox undertakes to engage on and from the date on which this Scheme becomes operative all the employees of Transferor Companies on the same terms and conditions on which they are engaged by Transferor Companies without any interruption of service as a result of the transfer and vesting of the Undertakings of the Transferor Companies into Inox. Inox agrees that the services of all such employees with Transferor Companies prior to the transfer and vesting of the Undertakings of the Transferor Companies into Inox shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund, and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by Inox and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognised by the concerned authorities by Inox. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively.

6. **EMPLOYEES STOCK OPTION**

- 6.1. Upon the Scheme becoming effective, the stock options granted by Fame under Fame ESOP to the Eligible Employees shall automatically stand cancelled. Further and simultaneously with the cancellation of the stock options under Fame ESOP, Inox shall issue and Eligible Employees shall receive stock options either under (i) Existing Employees Stock Option Plan or (ii) revised Employees Stock Option Plan; or (iii) a distinct and separate employee stock option plan of Inox formed and organized for granting stock options to Eligible Employees ("**Inox Stock Option Plan**").
- 6.2. To implement the above provisions of this Scheme, Inox shall issue stock options pursuant to Inox Stock Option Plan to the Eligible Employees on the basis of the Stock Exchange Ratio in the following manner:
 - 6.2.1. For every [8]option held under Fame ESOP, the Eligible Employees shall be issued [5]options under Inox Stock Option Plan;
 - 6.2.2. Every Eligible Employee to whom options are issued under Inox Stock Option Plan shall be entitled to subscribe and acquire equity shares in Inox in the ratio as stipulated in Clause 6.2.3 below.
 - 6.2.3. Every [1] option(s) issued under Inox Stock Option Plan shall entitle the holder thereof to acquire [1] equity share(s) of Inox.
- 6.3. Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer. The exercise price payable for options granted by Inox to the Eligible Employees shall be based on the exercise price payable by such Eligible Employees as adjusted after taking into account the effect of Share Exchange Ratio.
- 6.4. The grant of options to the Eligible Employees pursuant to clause 6.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of Inox to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Inox Stock Option Plan and the existing employees stock option plan including without limitation for the purposes of creating the Inox Stock Option Plan and/or modifying the Inox Stock Option Plan and/or the Existing Employees Stock Option Plan (including increasing the maximum of number of equity shares that can be issued consequent to the exercise of the stock option granted under the Existing Employees Stock Option Plan and/or modifying the exercise price of the stock option under the Inox Stock Option Plan and/or the Existing Employees Stock Option Plan), and all related matters. No further approval of the shareholders of Inox would be required in this connection under section 81(1A) of the Act.
- 6.5. It is hereby clarified that in relation to the options granted by Inox to the Eligible Employees, the period during which the options granted by Fame were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under the applicable law or agreement or deed for stock options granted under the Inox Stock Option Plan or the Existing Employee Stock Option Plan as the case may be.
- 6.6. The boards of directors of Fame and Inox or any of the committee(s) thereof including the compensation and remuneration committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this clause of the Scheme.

7. LEGAL PROCEEDINGS

- 7.1. If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "the Proceedings") by or against Transferor Companies be pending on the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the Transferor Companies or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against Inox in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if the Scheme had not been made. On and from the Appointed Date, Inox shall and may initiate any legal proceeding for and on behalf of Transferor Companies.
- 7.2. The transfer and vesting of the Undertakings of the Transferor Companies under the Scheme and the continuance of the proceedings by or against Inox under Clause 7.1 shall not affect any transaction or proceeding already completed by Inox on and after the Appointed Date and prior to this Scheme becoming effective to the end and intent that Inox accepts all acts, deeds and things done and executed by and/or on behalf of Transferor Companies as acts, deeds and things done and executed by and on behalf of Inox.

8. CONSIDERATION

- 8.1. Notwithstanding anything to the contrary contained in this Scheme, all equity shares held by Inox in Fame, on the last of the dates of the Orders passed by the High Courts sanctioning the Scheme, shall by virtue of this Scheme, and without any further act, instrument or deed, be vested and deemed to be vested, in the trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) (hereinafter referred to as the "**Trustees**") of an irrevocable trust to be settled by Inox (hereinafter referred to as "**Inox Benefit Trust**"), to hold such shares in trust together with all additions or accretions thereto exclusively for the benefit of Inox subject to powers, provisions, discretions, rights and agreements as contained in relevant trust deed ("**Trust Deed**") established the aforesaid trust (the "**Trust**"). It is proposed that the Trustees may, subject however to the prevailing market conditions, sell, transfer or dispose of the shares held at such time or times and in such manner as may be proper in accordance with the provisions of the Trust Deed and shall remit the proceeds thereto Inox. The obligations of the Trustees shall stand discharged and the Trust shall stand terminated in accordance with the provisions of Trust Deed. Immediately up on transfer of equity shares by Inox to Inox Benefit Trust, the registrar and transfer agent of Fame, shall update the register of members of Fame.
- 8.2. After giving effect to Clause 8.1 above, and upon the Scheme being effective and in consideration of the transfer of and vesting of the Undertakings of the Transferor Companies in Inox pursuant to this Scheme: (i) no shares shall be required to be issued and allotted in respect of the equity shares held by Fame in FMPL and HFPL; (ii) since FMPL and BPHSPL are wholly owned subsidiary of Fame, no shares shall be required to be issued and allotted in respect of the equity shares held by Fame in FMPL and BPHSPL; and (iii) No equity shares shall be issued for the Preference shares held by FMPL in Fame. These equity shares and preference shares (held by Fame and FMPL respectively) shall be deemed to be cancelled and shall stand extinguished without any further act, deed or thing of the Transferor Companies.
- 8.3. Subject Clause 8.1 and Clause 8.2 above, Inox shall without any further application, act, instrument or deed, issue and allot to each equity shareholder of each of the Transfer Companies whose name is recorded in the register of members of each of the Transfer Companies on the Record Date in the following ratio ("**Share Exchange Ratio**"):
 - 8.3.1. 5 (Five) fully paid up equity shares of Rs 10/- each of Inox shall be issued/allotted for every 8 (Eight) fully paid equity share of Rs 10 each held by such shareholder in Fame; and
 - 8.3.2. 1 (One) fully paid up equity shares of Rs 10/- each of Inox shall be issued/allotted for every 74 (Seventy Four) fully paid equity share of Rs 10 each held by such shareholder in HFPL
- 8.4. The Share Exchange Ratio has been arrived at on basis of the valuation report of Grant Thornton India LLP. Further, Enam Securities Private Limited has provided a fairness report on the fairness of the Share Exchange Ratio determined for the vesting of the Undertakings of the Transferor Companies into Inox. The valuation report and fairness report as aforesaid have been duly approved by the board of directors of each of the Transferor Companies and Inox.
- 8.5. The equity shares to be issued and allotted by Inox in terms of Clauses 8.3 above shall be subject to the provisions of the memorandum and articles of association of Inox and shall rank *pari passu* in all respects with the existing equity shares of Inox. It is hereby clarified that the new equity shares allotted by Inox to the shareholders for the Transferor Companies pursuant to this Scheme shall not be entitled to any dividend declared, distributed by Inox before the Effective Date.
- 8.6. No fractional shares shall be issued by Inox in respect of the fractional entitlements, if any, to which the equity shareholders of Transferor Companies may be entitled to under the Scheme and all such fractional entitlements shall be consolidated into whole shares and be allotted to such person, persons or entities (including one or more of the directors and/or officers of Inox) as may be nominated by the board of directors of Inox as trustee(s) for sale thereof at such price as may be approved by such trustee(s) in this regard and the net proceeds of such sale shall be distributed to the persons entitled thereto in proportion to their respective fractional entitlements.
- 8.7. Equity shares of Inox issued in terms of Clause 8.3 above shall be listed on the relevant stock exchange/s, where the existing equity shares of Fame are listed and Inox shall pay the appropriate fee and incur all costs for the same. Inox shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Law for complying with the formalities of the relevant stock exchanges;

- 8.8. The new equity shares issued pursuant to Clause 8.3 above shall be issued in the dematerialized form by Inox unless otherwise notified in writing by the shareholders of the Transferor Companies to Inox on or before such date as may be determined by the board of directors of Inox or a committee thereof. In the event, such notice has not been received by Inox in respect of any of the members of Fame, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Fame shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Inox shall issue and directly credit the dematerialized securities account of such members of Transferor Companies. In the event that Inox has received the notice from any of the shareholders of Transferor Companies that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then Inox shall issue the new equity shares in certificate form in such number.
- 8.9. Unless otherwise determined by the board of directors or any committee thereof of Transferor Companies and the board of directors or any committee thereof of Inox, allotment of shares in terms of Clause 8.3 shall be done within the prescribed statutory period from the Effective Date.
- 8.10. The equity shares to be issued pursuant to this Scheme by Inox in respect of the equity shares of Transferor Companies which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Inox.
- 8.11. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Fame, the board of directors or any committee thereof, of Fame at the sole discretion shall be empowered in appropriate cases, even subsequent to the Effective Date as the case may be to effectuate such a transfer in Fame as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the board of directors of Inox shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Inox on account of difficulties faced in the transition period.
- 8.12. The issue and allotment of equity shares by Inox to the equity shareholders of Transferor Companies as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Inox as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with.

PART III GENERAL PROVISIONS

9. COMBINATION OF AUTHORISED CAPITAL

- 9.1. Upon the Scheme being effective, the authorised share capital of each of the Transferor Companies will get merged with that of Inox without payment of any additional fees and duties as the said fees have already been paid. The authorised share capital of Inox will be increased to that effect by simply filing the requisite forms and no separate procedure shall be required to be followed under the Act.
- 9.2. Consequently, the Memorandum of Association and the Articles of Association of Inox shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 16, 17, 31 and 394 and other applicable provisions of the Companies Act, 1956 as set out below:
 - (a) The authorised share capital of Inox is Rs 1,40,06,00,000 (Rupees One Hundred Forty Crore and Six lacs) divided into 14,00,50,000 (Fourteen Crore Fifty Thousand) Equity Shares of Rs 10/-(Rupees Ten) each and 10,000 (Ten Thousand) Preference Shares of Rs 10/-(Rupees Ten) each.
 - (b) 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 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:

“The Authorised Share Capital of the Company is Rs 1,40,06,00,000 (Rupees One Hundred Forty Crore and Six lacs) divided into 14,00,50,000 (Fourteen Crore 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.”

It is clarified that the approval of the members and shareholders of Inox to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of Inox as required under section 17 and other applicable provisions of the Act.

10. DIVIDENDS

- 10.1. The Transferor Companies 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 the Transferor Companies only with the prior written consent of the Board of Directors of Inox.
- 10.2. Subject to the provisions of the Scheme, the profits of the Transferor Companies, 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.
- 10.3. 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 the Transferor Companies 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.

11. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF INOX

ON THE SCHEME BECOMING EFFECTIVE, INOX SHALL ACCOUNT FOR THE AMALGAMATION IN ITS BOOKS AS UNDER:

- (a) Amalgamation of Transferor Companies shall be accounted for in accordance with Pooling of Interest Method of accounting as per the Accounting Standard 14 as notified under Section 211(3C) of the Act.
- (b) All assets and liabilities, including reserves, of Transferor Companies transferred to Inox under the Scheme shall be recorded in the books of account of Inox at the book value as recorded in books of account of Transferor Companies, except to ensure uniformity of accounting policies.
- (c) The difference between the share capital of Transferor Companies and face value of new equity shares issued in terms of Clause 8.3 above to the shareholders of Transferor Companies shall be adjusted in reserves of Inox. If such difference is a surplus, then the same shall be credited to the amalgamation reserve of Inox and if such difference is a deficit, then the same shall be first adjusted against the amalgamation reserve of Inox and balance, if any, against the securities premium account of Inox.
- (d) Upon vesting of equity shares of Fame in the Inox Benefit Trust as per clause 8.1 above, the related carrying amount of investment in such shares of Fame as appearing in the books of Inox shall be reflected as "Interest in Inox Benefit Trust", at the same value at which the related carrying amount of investment in such shares would have appeared in the books of Inox; and pursuant to the Scheme becoming effective, such book value shall not be adjusted/revalued/restated on receipt of new equity shares of Inox by Inox Benefit Trust in lieu of its holding in Fame.

12. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR INOX

Unless otherwise stated hereinunder, with effect from the Appointed Date and up to and including the Effective Date:

- 12.1. The Transferor Companies shall be deemed to have been carrying on and shall carry on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the respective assets of the Transferor Companies for and on account of, and in trust for Inox. The Transferor Companies hereby undertake to hold the said assets with utmost prudence until the Effective Date.
- 12.2. With effect from the date of the Board meeting of Transferor Companies approving the Scheme and up to and including the Effective Date, the Transferor Companies shall preserve and carry on their businesses and activities with reasonable diligence and business prudence and shall not, without the prior consent in writing of any of the persons authorised by the Board of Directors of Inox, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its fixed assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Companies.
- 12.3. All the profits or income, taxes (including advance tax and tax deducted at source) or any costs, charges, expenditure accruing to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, tax losses, MAT Credit, incomes, costs, charges, expenditure or losses of Inox, as the case may be.
- 12.4. With effect from the date of the Board meeting of Inox approving the Scheme and up to and including the Effective Date, the Transferor Companies shall not, without the prior consent in writing of any of persons authorised by the Board of Directors of Inox, undertake (i) any material decision in relation to their businesses and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business, or discontinue any existing business or change the installed capacity of facilities.
- 12.5. With effect from the date of the Board meeting of Inox approving the Scheme and up to and including the Effective Date, the Transferor Companies shall not vary the terms and conditions of employment of any of their employees, without the prior consent of Inox, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date.

- 12.6. With effect from the date of the Board meeting of Inox approving the Scheme and up to and including the Effective Date, the Transferor Companies and Inox shall not, without the prior written approval of the Board of Directors of the Transferor Companies and Inox, make any change in their capital structure, whether by way of increase, decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner which may, in anyway, affect the Share Exchange Ratio (as provided in this Scheme).

Provided that this Clause shall not apply to issue of shares to any Eligible Employees or Employees of Inox pursuant to any employee stock option plans, in the ordinary course.

- 12.7. Inox shall be entitled to depute its employees and/or representatives to the office(s) of the Transferor Companies to ensure compliance with the provisions of this Scheme.
- 12.8. Inox shall be entitled, pending the sanction of the Scheme, to apply to the concerned authorities and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Inox may require to carry on the business of the Transferor Companies and to give effect to the Scheme.

13. **VALIDITY OF EXISTING RESOLUTIONS, ETC**

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

14. **DISSOLUTION OF THE TRANSFEROR COMPANIES**

On the Scheme becoming operative or effective, each of the Transferor Companies shall be dissolved without winding up.

15. **APPLICATIONS/PETITIONS TO THE HIGH COURT AND APPROVALS**

- 15.1. The Transferor Companies and Inox shall, with all reasonable dispatch, make and file all applications and petitions under Sections 391 to 394 read with Sections 78, 100 to 104 and other applicable provisions of the Act before the High Court, under whose jurisdiction the registered office of each of Fame, FMPL, BPHSPL, HFPL and Inox are situated, for sanction of this Scheme under the provisions of law, and shall apply for such approvals as may be required under law.
- 15.2. Inox shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any law for such consents and approvals which Inox may require to own each of the Undertakings of the Transferor Companies and to carry on the business of the Transferor Companies.

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

- 16.1. Inox and each of the Transferor Companies, through their respective boards of directors or such other person or persons, as the respective board of directors may authorize, including any committee or sub-committee thereof may make and/or consent to any modifications / amendments to the Scheme or to any conditions or limitations which the High Court and any other competent authority may deem fit to suggest / impose / direct and effect any other modification or amendment which the High Court and any other competent authority may consider necessary or desirable and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Companies or Inox) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.
- 16.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Companies and/or Inox may give and are 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.

Notwithstanding anything stated in this Clause above, no amendments or changes to the Scheme shall be carried out or be permissible unless and until the same is approved by the High Court before whom each of the Transferor Companies and Inox has filed the petition for approving this Scheme.

17. Upon the coming into effect of this Scheme, Inox is expressly permitted to revise its Income Tax returns to the extent required. Inox shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates on or after the Appointed Date by each of the Transferor Companies.

18. **THE SCHEME IS CONDITIONAL ON AND SUBJECT TO:**

- 18.1. The sanction or approval of the Appropriate Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

- 18.2. The sanction of the Bombay High Court and the High Court of Gujarat, under Sections 391 to 394 read with Sections 78, 100 to 104 of the said Act, in favour of each of the Transferor Companies and in favour of Inox respectively and to the necessary order(s) under Section 394 of the said Act, being obtained.
- 18.3. The certified copy of the Order of the Bombay High Court and the High Court of Gujarat sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra and Gujarat, Dadra and Nagar Haveli.
- 18.4. It is hereby clarified that submission of the Scheme to the respective High Courts and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defenses that Inox may have under or pursuant to all appropriate and Applicable Law.
19. In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Bombay High Court or the High Court of Gujarat, and/or the Order or Orders not being passed as aforesaid on or before the 30 September 2013 or within such further period or periods as may be agreed upon between the Transferor Companies and Inox through their respective Boards 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.
20. All costs, charges and expenses of the each of the Transferor Companies and Inox respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of the Scheme shall be borne and paid solely by Inox.
21. The issue and allotment of shares by Inox to persons resident outside India will be subject to the obtaining of necessary permissions, if any under the provisions of the Foreign Exchange Management Act, 1999 (including any modification or reenactment thereof), as required.
22. Each of the Transferor Companies and/or Inox acting through their respective Boards 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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N THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTIONS NO. 44 OF 2013

In the matter of:

The Companies Act, 1956 and Sections 100 to 104 and 391 to 394 of the Companies Act, 1956.

And

In the matter of:

Fame India Limited a company having its registered office at 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093

And

In the matter of:

Composite Scheme of Amalgamation

Of

Fame India Limited;

Fame Motion Pictures Limited;

Big Pictures Hospitality Services Private Limited;

Headstrong Films Private Limited.

With

INOX Leisure Limited.

Fame India Limited)
A company incorporated under)
provisions of the Companies Act, 1956,)
having its registered office at)
9th Floor, Viraj Towers, Next to Andheri Flyover,)
Western Express Highway, Andheri (East),)
Mumbai – 400 093,) ... Applicant Company

FORM OF PROXY

I/We, _____ the undersigned, being Equity Shareholders of the above Applicant Company holding _____ equity shares hereby appoint Mr. /Ms. _____ resident of _____ and failing him/her Mr. / Ms. _____ resident of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders to be held at Residency Hotel, Suren Road, Andheri-Kurla Road, Opp. Cine Magic, Near Western Express Highway, Andheri-E, Mumbai-400 093 on 28 February 2013 at 10.00 am , for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Amalgamation between Fame India Limited, Fame Motion Pictures Limited, Big Pictures Hospitality Services Private Limited, Headstrong Films Private Limited and Inox Leisure Limited (“**the Scheme**”) and at such meeting, and any adjournment thereof, to vote, for me/us and in my/ our name(s) _____ (Here if for, insert “For” and if against, insert “Against” and in the latter strike out the words “either with or without modification(s) after the word amalgamation) the Scheme, either with or without modification(s) as my/our proxy may approve.

Dated this _____ day of _____ 2013

Name: _____

Address: _____

DP ID: _____ Folio No. _____

Client ID: _____ No. of equity shares: _____

Signature of sole holder/first holder: _____

Second holder: _____

Third holder: _____

Signature of Proxy: _____

Affix ₹ 1
revenue
stamp

Notes:

1. Proxy need not be a member.
2. Alterations, if any made in the form of proxy should be initialed;
3. Proxy must be deposited at the Registered Office of the Applicant Company, i.e. at 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093, not later than 48 hours before the time for holding the meeting.
4. In case of multiple proxies, proxy later in time shall be accepted.
5. A form of appointment naming a proxy and a list of individuals who would be willing to act as Proxies will be made available on receipt of request in writing to the Company Secretary



Fame India Limited

Registered Office: 9th Floor, Viraj Towers, Next to Andheri Flyover, Western Express Highway, Andheri (East), Mumbai – 400 093.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

EQUITY SHAREHOLDERS MEETING

DP ID*		Folio No.	
Client ID*		No. of equity shares(s) held	

NAME AND ADDRESS OF THE EQUITY SHAREHOLDER(S) (in block letters)

NAME AND ADDRESS OF MEMBER/PROXY (IN BLOCK LETTERS, TO BE FILLED IN BY THE PROXY ATTENDING INSTEAD OF THE EQUITY SHAREHOLDER(S)):

I hereby record my presence at the Court Convened meeting of the Equity Shareholders of the Applicant Company convened pursuant to the Order dated 30 January 2013 of the Hon'ble High Court of Bombay, at Residency Hotel, Suren Road, Andheri-Kurla Road, Opp. Cine Magic, Near Western Express Highway, Andheri-E, Mumbai-400 093 on 28 February 2013 at 10.00 am.

Signature of the equity shareholder or Proxy: _____

*** Applicable for equity shareholders holding share(s) in dematerialized form.**

NOTES:

1. Equity shareholders/proxies are requested to bring this slip with them and hand it over at the gate after their signature on it.
2. Duplicate slips will not be issued at the entrance of the venue.
3. Equity shareholders who come to attend the meeting are requested to bring with them copy of the Notice and the Composite Scheme of Amalgamation.

