

SCHEME OF AMALGAMATION

(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND
OTHER APPLICABLE PROVISIONS OF THE ACT)

SATYAM CINEPLEXES LIMITED

WITH

INOX LEISURE LIMITED

This scheme of amalgamation (herein after referred to as the “Scheme”) provides for the amalgamation of Satyam Cineplexes Limited with Inox Leisure Limited pursuant to the provisions of sections 391 to 394 of the Companies Act, 1956 and any other applicable provisions of the Act.

RATIONALE

- (a) Satyam Cineplexes Limited (hereinafter referred to as “**Satyam**”) is a public limited company incorporated under the provisions of the Companies Act, 1956. Satyam is a wholly owned subsidiary of Inox (as hereinafter defined) and is engaged in the business of operating multiplex cinema theatres in India.
- (b) 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 BSE Limited and the National Stock Exchange of India Limited. Inox is engaged in the business of owning, operating and managing multiplex cinema theatres in India.
- (c) The nature of the business of Satyam and Inox is similar to each other, and Satyam is a wholly owned subsidiary of Inox. For optimum growth and development of the respective businesses of Satyam and Inox, it is considered desirable and expedient to integrate the said business by amalgamating Satyam into Inox.
- (d) The proposed amalgamation, will enable better and more economic and efficient management, control and running of the businesses of the companies concerned and will assist in the exploitation and realization of the potential of business of Satyam and that of Inox to the fullest extent.
- (e) In general, the business of both, Satyam and Inox, will be carried on more profitably under the Scheme and the Scheme will contribute in furthering and fulfilling the objects of both Satyam and Inox. Thus, in order to consolidate these businesses and in order to reap the benefits of operational synergy and enhance shareholder value, it is proposed to amalgamate Satyam with Inox.
- (f) The proposed amalgamation and vesting of Satyam into Inox, with effect from the Appointed Date, is in the interest of the shareholders, creditors, stakeholders and employees, of both the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders and afford the advantages of synergies of business.



GENERAL

This Scheme is divided into the following parts:

- (a) Part I of the Scheme deals with definitions and share capital of Satyam and Inox;
- (b) Part II of the Scheme deals with amalgamation of Satyam 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 and any corresponding provisions of the Companies Act, 2013 upon their notification, which may relate or be applicable to the amalgamation.

"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 8 August 2014.

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

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

"Effective Date" means the date on which the certified copies of the order(s) of the High Court are filed with the Registrar of Companies at Delhi and Registrar of Companies Gujarat, Dadra and Nagar Haveli at Ahmedabad.

"High Court" means the High Court of Delhi and the High Court of Gujarat, as the case may be.

"Inox" means Inox Leisure Limited, a company incorporated on 9 November 1999 under the provisions of the Act under Corporate Identity Number L92199GJ1999PLC044045. The registered office of Inox is at ABS Towers, Old Padra Road, Vadodara 390007, Gujarat, India.

"Parties" or "Parties to the Scheme" means Satyam and Inox, collectively.

"Party" shall mean Satyam or Inox, individually.



"Satyam" means Satyam Cineplexes Limited, a company incorporated on 9 June 2000 under the provisions of the Act under the Corporate Identity Number U74999DL2000PLC106206. The registered office of Satyam is at 612-618, Narain Manzil, 6th Floor, 23, Barakhamba Road, New Delhi – 110 001.

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

"the Undertaking" shall mean and include all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of Satyam, on a going concern basis, together with all its 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 Satyam, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, 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 multiplex cinema theatres and approvals of whatsoever nature (including but not limited to benefits of entertainment tax exemptions/benefits and/or exemption entitlements, 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 Satyam as on the Appointed Date;
- (b) All the debts, liabilities, duties and obligations including contingent liabilities of Satyam 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 Satyam.

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 Satyam as on 31 March 2014 is as under:

	Rs
AUTHORISED SHARE CAPITAL 60,00,000 equity shares of Rs 10 each	6,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 40,00,000 equity shares of Rs 10 each fully paid up	4,00,00,000

After 31 March 2014, Satyam has issued 5,95,533 equity shares to its existing shareholder on conversion of Compulsorily Convertible Debentures. Post issue of these shares, the issued, subscribed and paid up share capital of Satyam as on 30 September 2014 is as follows:



	Rs
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 45,95,533 equity shares of Rs 10 each fully paid up	4,59,55,330

2.2 The share capital of Inox as on 31 March 2014 is as under:

	Rs
AUTHORISED SHARE CAPITAL 14,00,50,000 equity shares of Rs 10 each	140,05,00,000
10,000 preference shares of Rs 10 each	1,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL 9,64,57,754 equity shares of Rs 10 each fully paid up	96,45,77,540
(Less) 3,11,580 equity shares of Rs 10 each issued to ESOP Trust but not allotted to employees	31,15,800
Adjusted issued, subscribed and paid up capital	96,14,61,740

After 31 March 2014, there has been no change in the issued, subscribed and paid-up share capital of Inox.

PART II - SCHEME OF AMALGAMATION

3. AMALGAMATION OF SATYAM 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 Undertaking, the Undertaking 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 Satyam 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 Satyam, 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.

Provided that for the purpose of giving effect to the vesting order passed under Sections 391 to 394 of the Act in respect this Scheme, Inox shall at any time pursuant to the orders on this Scheme be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such properties (including immovable properties) of Satyam in accordance with the provisions of Section 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other concerned authority, where any such property is situated.



- 3.2 With respect to the assets forming part of the Undertaking 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 Satyam 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 With respect to the assets of the Undertaking 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 Satyam and all the rights, title and interests of Satyam in any leasehold properties in relation to the Undertaking 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. With regards to the license of the properties, Inox will enter into a novation agreement, if it is so required.

The mutation of the ownership or title, or interest in the immovable properties in favour of Inox shall be made and duly recorded by the Appropriate Authority(ies) pursuant to the sanction of the Scheme and it becoming effective in accordance with the terms thereof.

- 3.4 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 Satyam, 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 Satyam, be transferred to and vested in Inox.
- 3.5 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which Satyam 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. Inox will, if required, enter into a novation agreement in relating to such contracts, deeds, bonds, agreements and other instruments as stated above. Any inter-se contracts between Satyam on one hand and Inox on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.
- 3.6 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking 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 Satyam 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 Satyam to carry out or perform all such formalities or compliances referred to above on the part of any of Satyam, as the case may be, to be carried out or performed.



- 3.7 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 Satyam 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.
- 3.8 (a) All debts, liabilities, duties and obligations of Satyam as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of Satyam 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 Satyam 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, Satyam 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, Satyam 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, Delhi 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 Satyam 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 Satyam 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 Satyam 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 Satyam 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 Satyam 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, Tax refunds and MAT credit entitlement 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 Satyam consequent to the assessment and which have not been received by Satyam 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 Satyam is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in Inox.

3.9 Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of Satyam 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 Satyam 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 Satyam, 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 Satyam 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 Undertaking 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 Satyam on the same terms and conditions on which they are engaged by Satyam without any interruption of service as a result of the transfer and vesting of the Undertaking into Inox. Inox agrees that the services of all such employees with Satyam prior to the transfer and vesting of the Undertaking 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. LEGAL PROCEEDINGS

- 6.1 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 Satyam 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 Undertaking 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 Satyam 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 Satyam.
- 6.2 The transfer and vesting of the Undertaking under the Scheme and the continuance of the proceedings by or against Inox under Clause 6.1 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 Satyam as acts, deeds and things done and executed by and on behalf of Inox.

7. CONSIDERATION

As Satyam is a wholly-owned subsidiary of Inox, the entire issued, subscribed and paid up share capital of Satyam is held by Inox. Upon amalgamation, Inox would not be required to issue and allot any shares to the shareholders of Satyam. Further, the shares so held by Inox shall stand cancelled and extinguished pursuant to the implementation of this Scheme.

PART III

GENERAL PROVISIONS

8. COMBINATION OF AUTHORISED CAPITAL

- 8.1 Upon the Scheme being effective, the authorised share capital of Satyam 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.
- 8.2 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 13 and 14 of the Companies Act, 2013 and Section 394 and other applicable provisions of the Companies Act, 1956 as set out below:
- (a) The authorised share capital of Inox is Rs 1,46,05,00,000 (Rupees One Hundred Forty Six Crore and Five lacs) divided into 14,60,50,000 (Fourteen Crore Sixty Lacs 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 13, 14 and 61 of the Companies Act, 2013 and Section 394 and other applicable provisions of the Companies Act, 1956 as the case may be and be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs 1,46,05,00,000 (Rupees One Hundred Forty Six Crore and Five lacs) divided into 14,60,50,000 (Fourteen Crore Sixty Lacs Fifty Thousand) Equity Shares of Rs 10 (Rupees Ten only) each and 10,000 (Ten Thousand) Preference Shares of Rs 10 (Rupees Ten only) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

It is clarified that upon approval of the Scheme by the High Court, Inox shall not be required to seek separate consent/ approval of its shareholders for the alteration of the Memorandum and Articles of Association of Inox as required under section 13 and other applicable provisions of the Act.

9. DIVIDENDS

- 9.1 Satyam 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 Satyam only with the prior written consent of the Board of Directors of Inox.
- 9.2 On and from the Effective Date the profits of Satyam, 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.
- 9.3 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 Satyam 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.

10. 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) On the Scheme becoming effective, Inox shall account for the amalgamation of Satyam in its books of account with effect from the Appointed Date.
- (b) Amalgamation of Satyam shall be accounted for in accordance with "Pooling of Interest Method" of accounting as per the Accounting Standard 14 as notified under Section 133 of the Companies Act, 2013.
- (c) All assets and liabilities, including reserves, of Satyam shall be recorded in the books of account of Inox at their existing carrying amounts and in the same form except to



ensure uniformity of accounting policies.

- (d) Amount of share capital of Satyam and investment held by Inox in Satyam shall be adjusted against each other and difference if any shall be adjusted against any one or more of Amalgamation Reserve, Reserve on Sale of treasury shares, General Reserve or credit balance in Profit & Loss Account.
- (e) All inter-corporate deposits, loans and advances, outstanding balances or other obligations between Inox and Satyam shall be cancelled and there shall be no obligation/ outstanding in that behalf.

11. 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:

- 11.1 Satyam shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of Satyam for and on account of, and in trust for Inox. Satyam hereby undertake to hold the said assets with utmost prudence until the Effective Date.
- 11.2 With effect from the date of the Board meeting of Satyam approving the Scheme and up to and including the Effective Date, Satyam shall preserve and carry on its business 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 Satyam.
- 11.3 All the profits or income, taxes (including advance tax and tax deducted at source) or any costs, charges, expenditure accruing to Satyam or expenditure or losses arising or incurred or suffered by Satyam 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.
- 11.4 With effect from the date of the Board meeting of Inox approving the Scheme and up to and including the Effective Date, Satyam 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 its business 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 capacity of facilities.
- 11.5 With effect from the date of the Board meeting of Inox approving the Scheme and up to and including the Effective Date, Satyam shall not vary the terms and conditions of employment of any of its employees, without the prior consent of Inox, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by Satyam prior to the Appointed Date.
- 11.6 With effect from the date of the Board meeting of Inox approving the Scheme and up to and including the Effective Date, Satyam shall not, without the prior written approval of the Board of Directors of Inox, make any change in its capital structure, whether by way of



increase, decrease, reduction, re-classification, sub-division or consolidation, re-organisation, or in any other manner.

- 11.7 Inox shall be entitled to depute its employees and/or representatives to the office(s) of Satyam to ensure compliance with the provisions of this Scheme.
- 11.8 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 Satyam and to give effect to the Scheme.
- 11.9 Notwithstanding anything stated in this Scheme, upon the Scheme becoming effective, and if required, Inox is authorized to execute all such deeds and documents, whatsoever, that may be required and/or ought to have been executed by Satyam, as if Satyam was in existence.

12. VALIDITY OF EXISTING RESOLUTIONS, ETC

Upon the coming into effect of this Scheme, the resolutions of Satyam, 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.

13. DISSOLUTION OF SATYAM

On the Scheme becoming effective, Satyam shall stand dissolved without winding up.

14. APPLICATIONS/PETITIONS TO THE HIGH COURT AND APPROVALS

- 14.1 Satyam and Inox shall, with all reasonable dispatch, make and file all applications and petitions under Sections 391 to 394 and other applicable provisions of the Act before the High Court, under whose jurisdiction the registered office of Satyam 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.
- 14.2 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 the Undertaking and to carry on the business of Satyam.

15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 15.1 Inox and Satyam, through their respective Board 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 Satyam or Inox) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

- 15.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of Satyam 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 the 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 Satyam and Inox have filed the petition for approving this Scheme.

16. 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 Satyam.
17. The Scheme is conditional on and subject to:
- 17.1 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.
- 17.2 The sanction of the High Court, under Sections 391 to 394 of the said Act, in favour of Satyam and Inox and to receipt of the necessary order(s) under Section 394 of the said Act, being obtained.
- 17.3 The certified copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Delhi and Gujarat, Dadra and Nagar Haveli.
- 17.4 It is hereby clarified that submission of the Scheme to the High Court 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.
18. In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court, and/or the order or orders not being passed as aforesaid on or before the 31 December 2015 or within such further period or periods as may be agreed upon between Satyam and Inox through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
19. All costs, charges and expenses of Satyam 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.



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

CERTIFIED COPY
For INOX LEISURE LIMITED

M. Bahuva
Miket Shashikant Bahuva
Company Secretary &
General Manager — Legal