

INOX LEISURE LIMITED

Report adopted by the Board of Directors of INOX Leisure Limited on the Draft Scheme of Amalgamation (Merger by Absorption) ("Scheme") of Shouri Properties Private Limited ("Transferor Company") with INOX Leisure Limited ("Transferee Company") and their respective shareholders pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.

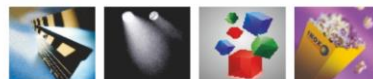
1. Background:

- i. A Meeting of the Board of Directors ('Board') of Shouri Properties Private Limited ("the Transferor Company" or "SPPL") was held on 21st January, 2022 to consider and recommend the proposed Scheme of Amalgamation (Merger by absorption) of Shouri Properties Private Limited ("the Transferor Company" or "SPPL") with INOX Leisure Limited ("the Transferee Company" or "INOX") and their respective shareholders ("the Scheme") to be implemented as per the terms specified in the scheme.
- ii. The provisions of Section 232(2)(c) of Companies Act, 2013 requires the Board of Directors to adopt a report explaining the effect of the Scheme of Merger (By Absorption) on each class of Shareholders, Key Managerial Personnel, Promoters and non-promoter Shareholders and the same is required to be appended with the Notice of the Meeting of Shareholders. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- iii. This report is made by the Board after perusing inter alia the following necessary documents ('Documents'):
 - a) Draft Scheme of Merger (By Absorption) initiated by the Company Secretary for the purposes of identification.
 - b) Memorandum of Association and Articles of Association of the Transferor and Transferee Company.
 - c) Audited accounts of the Transferor and Transferee Company as on 31st March, 2021,

2. BOARD REPORT

Based on review of the Draft Scheme of Merger (By Absorption) and the above-mentioned documents, the Board has formed the opinion that:

- i. Since SPPL is a wholly owned subsidiary of INOX and the entire paid up share capital of the SPPL is held by the INOX and its nominee, as a result of the proposed Merger (By Absorption), the shares of SPPL held by INOX will stand cancelled and there shall be no issuance of shares or payment of any consideration by INOX to the shareholders of SPPL.
- ii. As the entire undertaking of SPPL shall stand transferred to INOX, the rights and interests of the shareholders and / or the creditors of SPPL shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders and / or creditors of INOX.
- iii. The proposed Merger (By Absorption) would inter alia have the following benefits:
 - (i) It will enable more economic and efficient management, control and running of the businesses of the companies concerned.
 - (ii) In general, the business of both, SPPL and INOX, will be carried on more profitably under the Scheme and the Scheme will contribute in furthering and fulfilling the objects of both SPPL and INOX.
 - (iii) The proposed amalgamation and vesting of SPPL 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.
- iv. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, is not applicable to the Transferor Company since it an Unlisted Company.
- v. Since there shall be no payment of consideration or issuance of shares by INOX, the proposed Scheme of Merger (By Absorption) does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group to any additional shares or any special benefits.



- vi. The effect of the proposed Scheme of Amalgamation on the stakeholders of the Company would be as follows:

Effect of the Scheme on:

| | | |
|-----|---------------------------------------|-----------|
| (a) | Shareholders | No impact |
| (b) | Key Managerial Personnel | No impact |
| (c) | Directors | No impact |
| (d) | Promoters | No impact |
| (e) | Non-Promoter Members | No impact |
| (f) | Depositors | No impact |
| (g) | Creditors | No impact |
| (h) | Debenture Holders | No impact |
| (i) | Deposit Trustee and Debenture Trustee | No impact |
| (j) | Employees of the Company | No impact |

- vii. In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its Shareholders, Creditors and other Stakeholders and the terms thereof are fair and reasonable. It is for these reasons that the Board of Directors of INOX approved the Scheme at their meeting held on 21st January, 2022.

For and on behalf of the Board of Directors of INOX Leisure Limited

Sd/-
Parthasarathy Iyengar
Company Secretary

Place: Mumbai
Date: 21st January, 2022

