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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORDINARY ORIGINAL JURISDICTION

COMPANY PETITION NO. 77 OF 2007

IN

COMPANY APPLICATION NO. 86 OF 2007

Section Officers
Decree Department
Dt. - 10/7/2007



Idea Cellular Limited,
a company incorporated under the
Companies Act, 1956 and having its
registered office at Suman Tower,
Plot No.18, Sector-11, Gandhinagar,
Gujarat - 382011.

In the matter of the Companies Act,
1956;

And

In the matter of Sections 391 to 394 of
the Companies Act, 1956;

And

In the matter of Idea Cellular Limited;

And

In the matter of the Scheme of
Amalgamation of Bhagalaxmi
Investments Private Limited, Sapte
Investments Private Limited, Asian
Telephone Services Limited, Vsapte
Investments Private Limited, BTA
Cellcom Limited, Idea Mobile
Communications Limited and Idea
Telecommunications Limited with Idea
Cellular Limited;

.... **Petitioner Company**

BEFORE THE HON'BLE MR. JUSTICE JAYANT PATEL, J

DATE: 03/07/2007

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ORDER ON PETITION

The above Petition coming for hearing on 3rd day of July, 2007, **UPON READING** the said Petition, the order dated 23rd day of February 2007, in Company Application No. 86 of 2007, whereby meetings of the Preference Shareholders and Equity Shareholders of Idea Cellular Limited, the Petitioner abovenamed (hereinafter referred to as "the said Company") was ordered to be convened and held for the purpose of considering, and if thought fit, approving, with or without modification, the arrangement embodied in the Scheme of Amalgamation of Bhagalaxmi Investments Private Limited, Sapte Investments Private Limited, Asian Telephone Services Limited, Vsapte Investments Private Limited, BTA Cellcom Limited, Idea Mobile Communications Limited and Idea Telecommunications Limited ("the Amalgamating Companies") with the said Company ("the said Scheme") and **UPON** reading the order dated 23rd day of February 2007, whereby the meetings of the Secured Creditors and Unsecured Creditors of the said Company were dispensed with in light of the fact that no compromise or arrangement was being offered to the Secured Creditors and Unsecured Creditors under the said Scheme and that they will not be adversely affected by the said Scheme and **UPON** reading the Affidavit of Shri Gian Prakash Gupta dated 17th day of March 2007, annexing the newspaper cuttings of English daily, The Times of India, Ahmedabad Edition and Gujarati daily Gujarat Samachar, Ahmedabad Edition, both dated the 1st day of March 2007 and also showing the dispatch of the notices convening the said meetings on 28th day of February 2007 and **UPON** reading the Chairman's Report of Shri M. R. Prasanna dated 28th day of March 2007 stating that the said Scheme has been approved with requisite statutory majority in the meetings of the Preference Shareholders and Equity Shareholders and **UPON** reading the Affidavit of Shri Pankaj Kapdeo, Authorised Signatory of the said Company, dated the 3rd day of April 2007, verifying the Petition and **UPON** reading the Affidavit of Shri Pankaj Kapdeo, dated 10th day of May 2007 showing publication of the notice of hearing of this Petition in English daily, The Times of India and Gujarati daily Gujarat Samachar, Ahmedabad Edition both dated the 15th day of April 2007,



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(advertisement in the Gujarat Government Gazette having been dispensed with) and **UPON** hearing Shri Mihir Joshi, Senior Advocate along with Shri Sandeep Singhi, for Singhi & Co., Advocates for the said Company and hearing the submissions of the Assistant Solicitor General, Shri Harin P. Raval instructed by the Regional Director, Company Law Board, Western Region, Mumbai.

1. **THIS COURT** doth hereby sanction the Scheme of Amalgamation at **Annexure 'K'** to the Petition and annexed as Schedule hereto, and doth hereby declare the same be binding on all the Shareholders and Creditors of the said Company and also on the said Company.

2. That the said Company do within 30 days of the sealing of this order, cause a certified copy of this order to be delivered to the Registrar of Companies, Gujarat, Ahmedabad for registration.



3. That the parties to the said Scheme or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the arrangement embodied in the Scheme, as sanctioned hereunder and annexed as Schedule hereto.

4. That the fees of the Assistant Solicitor General of India, appearing for the Regional Director, Company Law Board, Mumbai, shall be paid by the said Company.

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SCHEDULE
SCHEME OF AMALGAMATION
OF
BHAGALAXMI INVESTMENTS PRIVATE LIMITED
AND
SAPTE INVESTMENTS PRIVATE LIMITED
AND
ASIAN TELEPHONE SERVICES LIMITED
AND
VSAPTE INVESTMENTS PRIVATE LIMITED
AND
BTA CELLCOM LIMITED
AND
IDEA MOBILE COMMUNICATIONS LIMITED
AND
IDEA TELECOMMUNICATIONS LIMITED
WITH
IDEA CELLULAR LIMITED



1. DEFINITIONS

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

- 1.1 "Act" means the Companies Act, 1956 and any amendments and/or re-enactment thereof for the time being in force.
- 1.2 "Appointed Date" means 1st April 2006.
- 1.3 "Asian Telephones" means Asian Telephone Services Limited, a company incorporated under the provisions of the Act, having its registered office at P O Birlagram, Nagda 456 331, Madhya Pradesh.
- 1.4 "Bhagalaxmi" means Bhagalaxmi Investments Private Limited, a company incorporated under the provisions of the Act, having its registered office at 1st Floor, Lentin Chambers, Dalal Street, Fort, Mumbai 400 023.
- 1.5 "Effective Date" means the last of the dates on which all conditions, matters and filings referred to in Clause 14 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained.

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References in this Scheme to the date of "**Coming into effect of this Scheme**" or "**Upon the Scheme being effective**" shall mean the Effective Date.

- 1.6 "**High Courts**" means the High Court of Judicature at Bombay in the case of Bhagalaxmi, Sapte and Vsapte, the High Court of Delhi at New Delhi in the case of BTA Cellcom, Idea Mobile and Idea Telecommunications, the High Court of Madhya Pradesh at Indore in the case of Asian Telephones and the High Court of Gujarat at Ahmedabad in the case of the Transferee Company.
- 1.7 "**BTA Cellcom**" means BTA Cellcom Limited, a company incorporated under the provisions of the Act, having its registered office at 810, Kailash, 26, Kasturba Gandhi Road, New Delhi-110 001.
- 1.8 "**Idea Mobile**" means Idea Mobile Communications Limited, a company incorporated under the provisions of the Act, having its registered office at A-30, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110 044.
- 1.9 "**Idea Telecommunications**" means Idea Telecommunications Limited, a company incorporated under the provisions of the Act, having its registered office at A-30, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110 044.
- 1.10 "**Sapte**" means Sapte Investments Private Limited, a company incorporated under the provisions of the Act, having its registered office at 1st Floor, Lentin Chambers, Dalal Street, Fort, Mumbai 400 023.
- 1.11 "**Scheme**" means this Scheme of Amalgamation in its present form or with any other modifications approved or imposed or directed by the High Courts.
- "**Transferee Company**" means Idea Cellular Limited, a company incorporated under the provisions of the Act, having its registered office at Suman Tower, Plot No.18, Sector-11, Gandhinagar, Gujarat - 382011.
- "**Transferor Companies**" means collectively "Bhagalaxmi", "Sapte", "Asian Telephones", "VSapte", "BTA Cellcom", "Idea Mobile" and "Idea Telecommunications" and "**Transferor Company**" means individually each of them.
- 1.14 "**Undertakings**" shall mean:
- all the assets and properties of the Transferor Companies wherever situate, whether movable or immovable, tangible or intangible of whatever nature including investments, inventories, cash and bank balances, all towers and switches, furniture, fixtures, office equipments, appliances, accessories as on the Appointed Date;
 - all the debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date (hereinafter referred to as the "**Said Liabilities**");
 - without prejudice to the generality of sub-clause (a) above, the Undertakings of the Transferor Companies shall include all the Transferor Companies' reserves, movable and immovable properties, assets, including lease-hold rights, tenancy rights, bids, tenders, letters of intent, memoranda of understanding, membership, bank accounts, industrial and other licences, permits, authorisations, quota rights, trade names, description, trading style, franchisee, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copy



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rights, privileges and any rights, title or interest in intellectual property rights, powers, facilities of every kind and descriptions of whatsoever nature, import quotas, telephones, telex, facsimile and other communication facilities and equipments, benefits under tax laws, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals.

- 1.15 "Vsapte" means Vsapte Investments Private Limited, a company incorporated under the provisions of the Act, having its registered office at 1st Floor, Lentin Chambers, Dalal Street, Fort, Mumbai 400 023.

2. SHARE CAPITAL

- 2.1 The present authorised share capital of Bhagalaxmi is Rs.11.80 crores divided into 1,18,00,000 equity shares of Rs. 10/- each. The present issued, subscribed and paid up share capital is Rs.10.80 crores divided into 1,08,00,000 equity shares of Rs. 10 each. The Transferee Company and its nominees hold the entire issued, subscribed and paid up share capital of Bhagalaxmi.

- 2.2 The present authorised share capital of Sapte is Rs. 11.80 crores divided into 1,18,00,000 equity shares of Rs. 10/- each. The present issued, subscribed and paid up share capital is Rs.10.80 crores divided into 1,08,00,000 equity shares of Rs. 10 each. The Transferee Company and its nominees hold the entire issued, subscribed and paid up share capital of Sapte.

The present authorised share capital of Asian Telephones is Rs.11.80 divided into 1,18,00,000 equity shares of Rs. 10/- each. The present issued, subscribed and paid up share capital is Rs.10.80 crores divided into 1,08,00,000 equity shares of Rs. 10 each. The Transferee Company and its nominees hold the entire issued, subscribed and paid up share capital of Asian Telephones.

The present authorised share capital of VSapte is Rs.10.80 crores divided into 1,08,00,000 equity shares of Rs. 10/- each. The present issued, subscribed and paid up share capital is Rs.10.80 crores divided into 1,08,00,000 equity shares of Rs. 10 each. The Transferee Company and its nominees hold the entire issued, subscribed and paid up share capital of VSapte.

- 2.5 The present authorised share capital of BTA Cellcom is Rs.85 crores divided into 8,50,00,000 equity shares of Rs. 10/- each. The present issued, subscribed and paid up share capital is Rs.75,09,19,370 divided into 7,50,91,937 equity shares of Rs. 10 each. The entire paid up share capital of BTA Cellcom is held by Sapte, Bhagalaxmi, Asian Telephones, Vsapte and the Transferee Company through their nominees respectively.

- 2.6 The present authorised share capital of Idea Mobile is Rs. 766.00 crores divided into 76,60,00,000 equity shares of Rs. 10/- each. The present issued, subscribed and paid up share capital is Rs.526.00 crores divided into 52,60,00,000 equity shares of Rs. 10 each. The Transferee Company and its nominees hold the entire issued, subscribed and paid up share capital of Idea Mobile.

- 2.7 The present authorised share capital of Idea Telecommunications is Rs. 61.00 crores divided into 6,10,00,000 equity shares of Rs. 10/- each. The present issued, subscribed and paid up share capital is Rs.61.00 crores divided into 6,10,00,000 equity shares of Rs. 10 each. The Transferee Company and its



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nominees as on 28.06.2006 hold the entire issued, subscribed and paid up share capital of Idea Telecommunications.

- 2.8 The present authorised share capital of the Transferee Company is Rs.4275 crore (Rupee Four Thousand Two Hundred and Seventy Five crores) divided into 3,77,50,00,000 (Three Hundred Seventy Seven crore fifty lakh) equity shares of Rs. 10/- each and 500 (Five Hundred) redeemable cumulative non-convertible preference shares of Rs 1,00,00,000/- each. The present, issued, subscribed and paid up share capital of the Transferee Company is Rs. 2792,52,72,060 comprising of 2,30,95,27,206 fully paid up equity shares of Rs. 10/- each and 483 redeemable cumulative non-convertible preference shares of Rs 1,00,00,000 each.

3. TRANSFER OF UNDERTAKINGS

- 3.1 With effect from the Appointed Date and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertakings of the Transferor Companies shall, without any further act, instrument, deed, matter or thing be transferred to and be vested in and be deemed to be transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, if any, then affecting the same 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 the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security therefor 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, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Transferee Company 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 In particular, with effect from the Appointed Date and upon the Scheme being effective, the licenses of BTA Cellcom, Idea Mobile and Idea Telecommunications pertaining to the provision of cellular mobile telephone services as issued by the Department of Telecommunications, WPC and SACFA, any other license/approval granted to BTA Cellcom, Idea Mobile and Idea Telecommunications for usage of frequency spectrum issued or granted by any governmental authority, any exemption received by BTA Cellcom, Idea Mobile and Idea Telecommunications in respect of their respective obligations under the license agreements and all municipal approvals, permissions for establishing cellular towers (including cell site licences) or receiving stations or any broadband and/or broadcasting approvals for bandwidth shall vest in the Transferee Company and the concerned licensors and grantors of such approvals, clearances, exemptions or permissions, shall endorse, where necessary, and record the Transferee Company on such approvals, clearances, exemptions and permissions so as to empower and facilitate the approval and vesting of the Undertakings of BTA Cellcom, Idea Mobile and Idea Telecommunications in the Transferee Company without hindrance or let from the Appointed Date.

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- 3.3 In respect of such of the assets of the Undertakings as are moveable in nature, including investments, or are otherwise capable of transfer by physical delivery/or by endorsement and/or delivery, the same shall be so transferred by the Transferor Companies, and shall, upon such transfer, become properties, estates, assets, rights, title, interests and authorities of the Transferee Company as an integral part of the Undertakings and accordingly, shall become the property of the Transferee Company.
- 3.4 In respect of such of the assets of the Undertakings other than those mentioned in 3.3 above, the same shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act. For avoidance of doubt, it is hereby clarified that all the rights, title and interest of the Transferor Companies in any leasehold properties shall, pursuant to Section 394(2) of the Act and the provisions of the Scheme, without any further act or deed, be and stand transferred to and vested in or be deemed to have been transferred and vested in the Transferee Company.
- 3.5 All debts, outstanding and receivables of the Transferor Companies shall, accordingly, on and from the Appointed Date, stand transferred to and vested in the Transferee Company without any notice or prior intimation to the debtor and the debtors shall be obliged to make payment to the Transferee Company after the Effective Date.
- 3.6 With effect from the Appointed Date, all the Said Liabilities shall, without any further act, instrument, deed, matter or thing, be and stand transferred to the Transferee Company pursuant to the applicable provisions of the Act, so as to become as from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company 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.
- With effect from the Appointed Date and upon the Scheme being effective, the unabsorbed depreciation and losses under the Income Tax Act, 1961, of the Transferor Companies shall be treated as the unabsorbed depreciation and losses of the Transferee Company as on the Appointed Date and the Transferee Company shall be entitled to carry forward the losses and unabsorbed depreciation under the Income Tax Act, 1961, of the Transferor Companies and to revise its income tax returns including any loss returns, accordingly.
- 3.8 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Companies and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business after the Appointed Date or wherever such deduction of tax at source, advance tax, minimum alternate tax stands or any other tax demand adjusted against the refund in any of the tax proceedings and stands refundable to the Transferor Companies as on the Effective Date, the same shall be deemed to be the corresponding item paid/



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payable/refundable by/to the Transferee Company, and, shall, in all such tax proceedings, be dealt with accordingly.

- 3.9 Any unutilized Modvat/ Cenvat/ Service tax Credit under Modvat/Cenvat Credit Rules framed under Central Excise Act, 1944 or Service Tax Credit Rules framed under Finance Act, 1994 lying in the Registers of or to the account of the Transferor Companies for the Excise Duty/ Customs Duty (including CVD)/ Service Tax paid on inputs/ capital goods shall be entitled to carry forward/ claim credit of such unutilized Modvat/ Cenvat/ Service tax Credit under Modvat/Cenvat/Service Tax Credit Rules to the account of the Transferee Company.
- 3.10 The Transferee Company shall account for the amalgamation/merger in its books in accordance with Accounting Standard-14 under the "pooling of interest method", pursuant to which the assets, liabilities and reserves of the Transferor Companies will be recorded in the books of the Transferee Company at their carrying amounts as on the Appointed Date.
- 3.11 The transfer and vesting of the Undertakings of the Transferor Companies under this Clause 3 and the continuance of the proceedings by the Transferee Company under Clause 5 hereof shall not affect any transactions or proceedings already concluded by the Transferor Companies in the ordinary course of business on and after the Appointed Date to the end and with the intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed and all transactions or proceedings already concluded by the Transferor Companies.



4. **CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

- Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Companies are parties, or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, without any further act, instrument or deed, shall, remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectively as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto. The Transferee Company shall enter into and/or issue an/or execute deeds, writings or confirmations in order to give formal effect to the provisions of this Clause, and to the extent that the Transferor Companies are required, prior to the Effective Date, to join in any such deeds, writings, or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Companies.
- 4.2 Upon the Scheme becoming effective all rights and obligations of the Transferor Companies and the Transferee Company against each other under any contract, deed, bond, agreement, arrangement and other instrument entered into between the Transferor Companies and the Transferee Company shall stand discharged and cancelled and have no effect. It is clarified that any contract, deed, bond, agreement, arrangement and other instrument entered into between the Transferor Companies, the Transferee Company and any third party shall continue to be valid and existing subject only to the cancellation and discharge of all rights and obligations of the Transferor Companies and the Transferee Company against each other.

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4.3 With effect from the Appointed Date, all rights and licenses relating to trade marks, know-how, technical data, trade names, description, trading style, franchisee, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual property rights, powers, facilities of every kind and descriptions of whatsoever nature in relation to the Undertakings of the Transferor Companies or to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be entitled/eligible and which are subsisting or have effect immediately before the Appointed Date, shall be in full force and effect on, or against, or in favour of, the Transferee Company, as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto.

5. **LEGAL PROCEEDINGS**

If any, suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Transferor Companies be pending, the same shall not abate, or 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, as the case may be, by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies, if the Scheme had not been made.

6. **OPERATIVE DATE OF THE SCHEME**

The Scheme shall be operative from the Appointed Date but shall become effective on the Effective Date.

EMPLOYEES

All employees of the Transferor Companies as on the Effective Date, shall on and from the Effective Date, become the employees of the Transferee Company in such position, rank and designation as may be determined by the Transferee Company with the benefit of continuity of service and such that the terms and conditions of their employment with the Transferee Company are no less favourable than those applicable to them as employees of the Transferor Companies on the Effective Date.

7.2 With regard to provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of such employees of the Transferor Companies, upon the Scheme being effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever in relation to the administration or operation of such fund or funds and the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds or other documents provided that if the Transferee Company finds it desirable for the smooth administration, management, operation and uniformity of such funds, the same may be merged with similar funds of the Transferee Company. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Companies in relation to such schemes or funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Companies will be treated as having



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been continuous for the purpose of the aforesaid schemes, fund, trusts etc. In the event that the trustees are constituted as holders of any securities, trust, funds or trust monies, in relation to any provident fund trust, gratuity trust or superannuation trust of the Transferor Companies, such funds shall be transferred by such trustees of the trusts of the Transferor Companies, to separate trusts and the trustees of the Transferee Company, if set up for the same purpose and object and shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the relevant labour laws, Indian Trusts Act 1882, and the Income Tax Act, 1961 and relevant stamp legislation as applicable, provided that, if the Transferee Company considers it desirable for the smooth administration, management, operation and uniformity of such trusts of the Transferor Companies the same may be merged with similar trusts of the Transferee Company. Appropriate deeds of trusts and/or documents for transfer of trust properties shall be simultaneously executed upon the sanction of the Scheme in accordance with the terms hereof by the trustees of such trusts in favour of the Transferee Company so as to continue the benefits of the employees. The provident fund trust, gratuity trust or superannuation trusts of the Transferor Companies shall continue to hold such securities, trust funds and/or trust monies as hitherto, till such time as the transfer to the trustees of the Transferee Company employee trusts is made.

- 7.3 The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into by the Transferor Companies with any employees of the Transferor Companies. The Transferee Company agrees that for the purpose of payment of any retrenchment, compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Companies shall also be taken into account, and further agrees and undertakes to pay the same as and when payable.



CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES TILL EFFECTIVE DATE

With effect from the Appointed Date and up to the Effective Date, the Transferor Companies:

- 8.1 shall carry on and be deemed to carry on all their businesses and activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of its properties and assets on account of, and in trust for, the Transferee Company and any income or profits accruing or arising to the Transferor Companies or losses, costs, charges and expenses arising or incurred by the Transferor Companies shall, for all purposes, be treated as the income, profits, costs, charges, expenses and losses as the case may be, of the Transferee Company;
- 8.2 hereby undertakes to carry on their businesses and activities in the ordinary course of business with reasonable diligence and utmost business prudence and shall not, without the written consent of the Transferee Company, sell, transfer, alienate, charge, mortgage or encumber or otherwise deal with the Undertakings or any part thereof except in the ordinary course of their business;
- 8.3 shall not, vary the terms and conditions of the employment of their employees except in the ordinary course of business;

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8.4 shall not, without the written consent of the Transferee Company, undertake any new business.

9. CANCELLATION OF SHARES

(a) Since the Transferee Company and/or its nominees holds 100% of the issued, subscribed and paid up capital of each of Asian Telephones, Bhagalaxmi, Sapte, Vsapte, Idea Mobile and Idea Telecommunications, the entire share capital held by the Transferee Company in each of the aforementioned Transferor Companies shall stand cancelled and extinguished upon the Scheme being effective and in lieu thereof no allotment of any Shares in the Transferee Company shall be made to any person whatsoever.

(b) The entire paid-up share capital of BTA Cellcom is held by Asian Telephones, Bhagalaxmi, Sapte, Vsapte and the Transferee Company through their nominees respectively. Upon the Scheme being effective the shares held by the Transferee Company in BTA Cellcom shall stand cancelled. Further the shares held by Asian Telephones, Bhagalaxmi, Sapte and Vsapte in BTA Cellcom shall stand cancelled and no shares in the Transferee Company shall be issued therefore, as Asian Telephones, Bhagalaxmi, Sapte and Vsapte are being amalgamated with the Transferee Company pursuant to the Scheme.

10. PROCEDURE TO DEAL WITH BALANCES AS BETWEEN THE TRANSFEROR COMPANIES AND THE TRANSFEE COMPANY

To the extent that there are advances including loans, inter-company loans, deposits, balances, if any, as between or amongst the Transfer Companies and as between or amongst the Transferor Companies and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf on either party and corresponding effect shall be given in the books of accounts and records of the Transferee Company. For the removal of doubt, it is clarified that in view of the above, there would be no accrual of interest or other charges in respect of any such advances, loans, inter-company loans, deposits or balances with effect from the Appointed Date.

11. DISSOLUTION OF THE TRANSFEROR COMPANIES

Upon the Scheme being effective, the Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.

12. APPLICATIONS TO HIGH COURTS

The Transferor Companies and the Transferee Company shall with all reasonable dispatch, make applications/petitions to the relevant High Courts Section 391 and 394 of the Act for sanctioning the Scheme and for dissolution of the Transferor Companies without winding up and apply for and obtain such other approvals, if any, required under the law.

13. APPROVALS AND MODIFICATIONS

13.1 The Transferor Companies and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to the Scheme, or to any conditions or limitations which either the Board of Directors of the Transferor Companies and the Transferee Company



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may deem fit or which the High Courts and/or competent authorities, if any, under the law may deem fit to approve of or impose, and which the Transferor Companies and the Transferee Company may in their discretion, deem fit, and to resolve all doubts or difficulties that may arise in carrying out and implementing this Scheme and to do all acts, instruments, deeds, matters and things necessary or to review the position relating to the satisfaction of the conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing the Scheme into effect. In the event of any of the conditions that may be imposed by the Courts or other authorities which the Transferor Companies and the Transferee Company may find unacceptable for any reason, then the Transferor Companies and the Transferee Company are at liberty to withdraw the Scheme. The aforesaid powers of the Transferor Companies and Transferee Company may be exercised by their respective Board of Directors, or a committee of the concerned Board of Directors, or any director or employee authorised in that behalf by the concerned Board of Directors (hereinafter referred to as the "Delegates").

- 13.2 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 or the Transferee Company may give and are hereby authorised 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.

14. **SCHEME CONDITIONAL UPON APPROVALS/ SANCTIONS**

The Scheme is conditional upon and subject to:

- 14.1 the Scheme being agreed to by the requisite majority of the Members of the Transferor Companies and the Transferee Company as required under the Act and the requisite orders of the High Courts referred to in Clause 12 above being obtained.
- 14.2 Such other sanctions and approvals including sanctions of any governmental or regulatory authority of the Scheme being obtained.
- 14.3 The approval/authorizations of DOT for amalgamations of BTA Cellcom, Idea Mobile and Idea Telecommunications in terms of each of their respective license agreements.
- 14.4 The certified copies of the Court orders sanctioning the Scheme, being filed with the Registrar of Companies, Gujarat, the Registrar of Companies, New Delhi, the Registrar of Companies, Maharashtra and the Registrar of Companies, Madhya Pradesh.

15. **COST, CHARGES AND EXPENSES**

Upon the Scheme becoming effective, all costs, charges, taxes including duties, levies and all other expenses, if any, of the Transferee Company and the Transferor Companies arising out of/ or incurred in carrying out and implementing the Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.




TRUE COPY

 Advocate

16. APPROVALS/SANCTION NOT FORTHCOMING

In the event any of the approvals/sanctions referred to in Clause 14 are not obtained, the scheme shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto, as is contemplated hereunder, or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and shall be preserved or worked out as specifically provided in the Scheme or as may otherwise arise in law.



TRUE COPY

Associate



WITNESS YAD RAM MEENA, ESQUIRE, THE CHIEF JUSTICE at Ahmedabad
aforesaid this 3rd day of July, Two Thousand and Seven.

Ⓡ

Sd/-
(Dr. K. Upadhyay)

REGISTRAR (JUDICIAL)

This 9th day of July 2007



SEALER

Sd/-
CS. N. Sharma

DEPUTY REGISTRAR

This 9th day of July 2007

ORDER SANCTIONING THE SCHEME OF
AMALGAMATION DRAWN ON THE
APPLICATION OF M/s. SINGHI & CO.,
ADVOCATES FOR THE PETITIONER
HAVING THEIR OFFICE AT 7-8TH FLOOR,
PREMCHAND HOUSE ANNEXE, ASHRAM
ROAD, AHMEDABAD- 380 009.

TRUE COPY
ASSISTANT REGISTRAR
THIS DAY OF