

2021

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - I, CHENNAI**

**CP/28/CHE/2021
In
CA/401/CAA/2020**

(Filed under Sections 230 to 232 of the Companies Act, 2013)

*In the matter of Scheme of Arrangement, Demerger and
Reduction of Capital*

Between

M/s. ASIAN HOTELS (EAST) LIMITED
CIN: L15122WB2007PLC162762
HYATT REGENCY KOLKATA,
JA-1, SECTOR - 2, SALT LAKE CITY,
KOLKATA - 700 098

Demerged Company

And

M/s. ROBUST HOTELS PRIVATE LIMITED
CIN: U55101TN2007PTC062085
365, ANNA SALAI, TEYNAMPET,
CHENNAI - 600 018

... Petitioner / Resulting Company

And

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Order Pronounced on 13th October 2021



CORAM

**R. SUCHARITHA, MEMBER (JUDICIAL)
ANIL KUMAR B, MEMBER (TECHNICAL)**

For Applicant(s): Arun Karthik Mohan, Advocate

ORDER

Per: ANIL KUMAR B, MEMBER (TECHNICAL)

CP/28/CHE/2020 is a Company Petition filed by the Petitioner / Resulting Company viz. M/s. Robust Hotels Private Limited for the purpose of the approval of the Scheme of Arrangement, (Demerger) (hereinafter referred to as the 'SCHEME') as contemplated between the Petitioner Companies viz. M/s. **Asian Hotels (East) Limited** (hereinafter referred to as "Demerged Company") and **M/s. Robust Hotels Private Limited** (hereinafter referred to as "Resulting Company") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (for brevity 'the Act') read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity 'the Rules') pursuant to the Scheme proposed between the Petitioner Companies and the said Scheme is also annexed as "Annexure A" to the typed set filed along with the CP/28/CHE/2021.

2. The Registered office address of the Demerged Company is situated at Kolkata, West Bengal and falls within the jurisdiction of NCLT Kolkata Bench. The Demerged Company had filed a company application bearing CA (CAA) No.1155/KB/2020 before the NCLT, Kolkata Bench and directions were issued vide order dated 28.01.2021.



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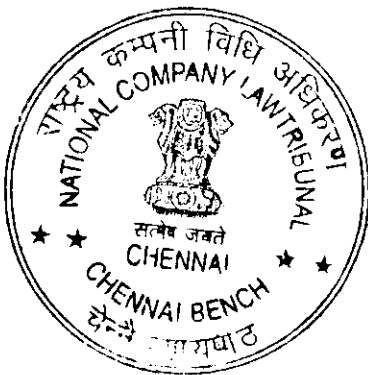
3. **1ST MOTION APPLICATION – IN BRIEF**

3.1. The Resulting Company had filed its First Motion Application vide CA/401/CAA/2020 seeking directions for dispensation of the meetings of the Equity Shareholders and Secured Creditors and for holding of meeting of the Unsecured Creditors. Based on such application moved under Sections 230-232 of the Companies Act, 2013; directions were issued by this Tribunal, vide order dated 23.12.2020. Subsequent to the said order, the Resulting Company has filed the present Petition before this Tribunal on 11.02.2021 for sanction of the Scheme of Arrangement by this Tribunal.

4. **RATIONALE OF THE SCHEME**

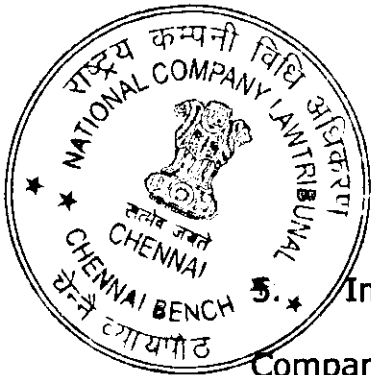
4.1. The Rationale and benefits of the Scheme as submitted by the Learned Counsel for the Petitioner Companies would *inter alia* result in the following benefit;

- a. Unlocking the value of AHEL shares to its shareholders, which is presently getting subdued on account of subdued performance and balance sheet of RHPL.
- b. Possible release of guarantee(s) presently given by AHEL to the lenders of RHPL. This would clear the contingent liability as appearing in the financial statements of AHEL and will potentially improve the credit rating of AHEL, thereby enabling reduction in cost of finance for AHEL and better price discovery on the stock market.



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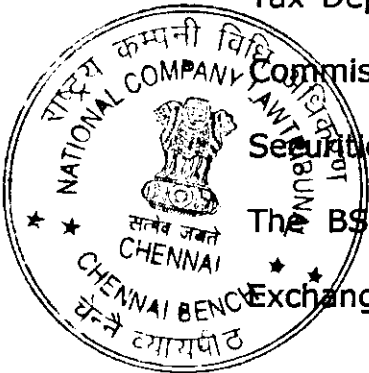
- c. Improving the balance sheet of RHPL and its credit rating by providing liquid assets and resources that would enable enhancement in future profitability without any sacrifice of value by the shareholders of AHEL, enabling potential turn-around and/or expansion programs for RHPL, and assist RHPL in supporting and potentially reducing its debt burden and cost of financing.
- d. Enable unlocking of true value of RHPL for the shareholders of AHEL (In a separate entity, being RHPL), which does not appear to be reflecting fully and accurately in the present consolidated market valuation of AHEL on account of there being a holding company discount;
- e. Provide scope of attracting and accessing targeted funding and investors for each of AHEL and RHPL and provide better flexibility in pursuing long term growth plans and strategies for the separate companies AHEL and RHPL, instead of RHPL continuing to use AHEL's credit rating and guarantees and equity funds;
- f. Enable the management of AHEL to evaluate the performance of the Hotel Division on an independent basis and keep its risks (if any) ring fenced; and
- g. Enable enhanced strategic flexibility and focus of the respective managements of AHEL and RHPL, thereby facilitating the separate managements to efficiently exploit opportunities for each of the said businesses.



In the second motion application filed by the Petitioner Companies, this Tribunal vide order dated 29.03.2021 has directed

the Resulting Company to issue notice to the Statutory / Regulatory Authorities viz. (i) Regional Director (Southern Region), (ii) RoC, Chennai, (iii) the Income Tax Department, and other sectoral regulators, who may govern the working of the respective companies in relation to the Scheme, as well as for paper publication to be made in "*Business Standard*", English (Chennai Edition) and "*Dina Mani*" Tamil (Chennai Edition).

6. In compliance to the said directions issued by this Tribunal, the Petitioner Companies have filed an affidavit of service before the Registry of this Tribunal on 23.04.2021 and a perusal of the same discloses that the Resulting Company has effected paper publication as directed by the Tribunal in one issue of "*Business Standard*" (Chennai Edition) in English and "*Dina Mani*" (Chennai Edition) in Tamil on 16.04.2020. It is also seen that notices have been also served to (i) The Regional Director, Southern Region on 01.04.2021 (ii) Regional Director, Northern Region on 05.04.2021 (iii) Registrar of Companies Chennai on 01.04.2021 (iv) Income Tax Department, Circle 5(2), Chennai on 01.04.2021, (v) Deputy Commissioner of Income, Circle 8(1), Kolkata on 05.04.2021, (vi) Securities Exchange Board of India, Mumbai on 06.04.2021, (vii) The BSE Limited, Mumbai on 06.04.2021, (viii) National Stock Exchange of India on 06.04.2021. Pursuant to the service of notice



of the petition the following statutory authorities have responded as follows;

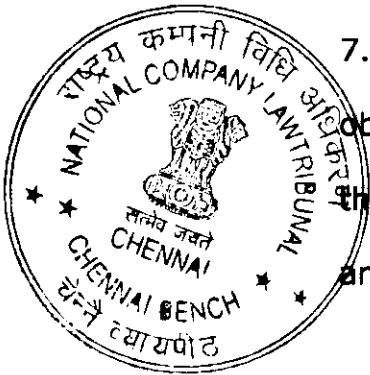
7. STATUTORY AUTHORITIES

7.1. REGIONAL DIRECTOR

The Regional Director, (*hereinafter referred to as 'RD'*) Chennai to whom the notice was issued in the first motion itself, has filed his Report before this Tribunal and has stated that Clause 4.1.2 of Part IV of the Scheme provides for the protection of the interest of the employees of the Demerged Company. It was further observed in para 3 of the report of the RD as follows;

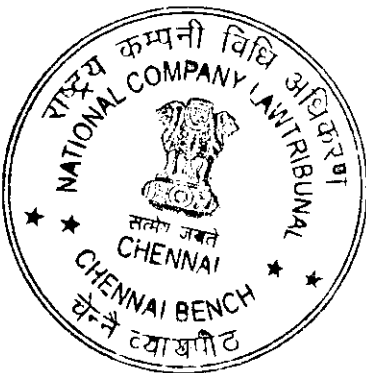
3. It is further submitted that as per Clause 1.4.5 of Part - I of the Scheme, the Appointed Date is mentioned as Effective Date, which is not in accordance with the provisions of Sec.232(6) of the Act. The Appointed date is significant in respect of demerger since the consideration for transfer / demerger of identified business is to be arrived at beforehand by valuation of concerned assets and liabilities of the demerged business.

7.2. Thus, after examining the Scheme, except the observations as extracted *supra*, the Regional Director in their Report has stated that they have decided not to make any objection to the Scheme.



7.3. In relation to the objections raised by the Regional Director, the Learned Counsel for the Petitioner submits that there are catena of Judgments laid down by the High Court that there is no legal provision that requires the Appointed Date to be a specific calendar date and in this connection reliance was placed upon the decision of the Hon'ble High Court of Madras in the matter of *In re: Equitas Finance Limited & ORs. [2016] 199 CompCas 124 (Mad.)*. Further in order to bolster his argument, the Learned Counsel for the Petitioner referred to the Ministry of Corporate Affairs, vide General Circular No. 09/2019 dated August 21, 2019 regarding "*Clarification under Section 232(6) of the Companies Act, 2013*" with respect to the Appointed Date has clarified as follows;

- (a) *The provisions of Section 232 (6) of the Act enables the companies in question to choose and state in the scheme an 'appointed date'. This date may be a specific calendar date or may be tied to the occurrence of an event..or fulfilment of any preconditions agreed upon by the parties, or meeting any other requirement as agreed upon between the parties, etc. which are relevant to the scheme.*
- (b)
- (c)
- (d) *The scheme may identify the 'appointed date' based on the occurrence of a trigger event which is key to the proposed scheme and agreed upon by the parties to the scheme. This event would have to be indicated in the scheme itself upon*

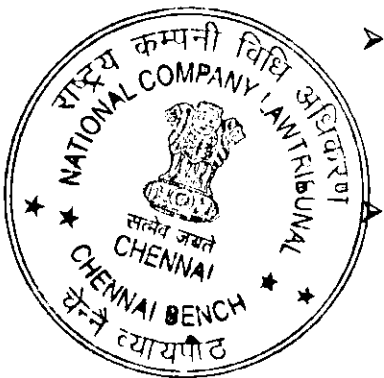


occurrence of which the scheme would become effective..”

7.4. It was submitted by the Learned Counsel for the Petitioner that taking note of the aforementioned circular and judicial precedent, the Mumbai Bench of NCLT in the matter of Tata Power Company Limited vide its order dated 12.12.2019 passed in CP/4655(MAH)/2018 has rejected a similar objection on behalf of the Regional Director and approved the Scheme.

7.5. In relation to the objections raised by the Regional Director, Southern Region with respect to the Appointed Date, it is significant to point out to the clarification issued by the MCA vide its General Circular No.09/2019 on 21.08.2019, which manifest the following facts;

- The 'Appointed date' can be a specific calendar date or be tied to the occurrence of an event e.g.: grant or transfer of licenses, the fulfilment of conditions precedent, etc. (prospective date).
- If the 'Appointed date' is a calendar date, it may precede the date of applying for the Scheme before the NCLT.
- If the 'Appointed date' is predated by a year or more from the date of applying with NCLT, justification should be provided for the same in the Scheme and it should not be against the public interest.



- If 'Appointed date' is based on the occurrence of an event, the said event should be specifically identified in the Scheme upon the occurrence of which the scheme would become effective. If the event-based date is a date after the date of filing the order with the concerned RoC under Section 232(5) of the Companies Act, the concerned company shall file an intimation of the same with the RoC within 30 days of such Scheme coming into force.
- The 'Appointed date' shall also be the 'acquisition date' and date of transfer of control to conform to Indian Accounting Standards 103.

Coming to the present case, it is relevant to refer to the definition of the term "Appointed Date", "Effective Date" and Clause 6.7 of the Scheme;

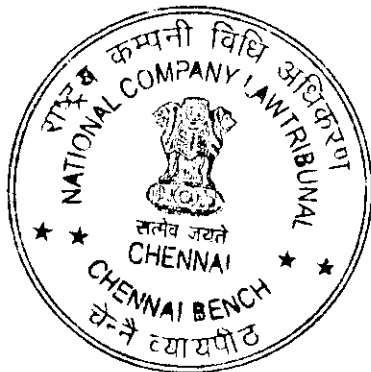
Appointed Date means the Effective Date (beginning of business hours) or such other date as may be directed / approved by the Tribunal(s) being the date with effect from which this Scheme shall, post effectiveness of this Scheme, be operative;

Effective Date has the meaning assigned to such term in Clause 6.7; Any references in this Scheme to "upon this Scheme becoming effective" or upon the effectiveness of this Scheme" or "post effectiveness of this Scheme" means and refers to the Effective Date;

Clause 6.7. Effectiveness of the Scheme

6.7.1. This Scheme is conditional upon, and shall become effective on the happening of the last of the following ("Effective Date");

- (i) this Scheme being approved by the respective requisite majorities of the various classes of



shareholders and / or creditors (if required) of each of the Scheme Entities as required under the 2013 Act;

- (ii) the Scheme being sanctioned by the jurisdictional Tribunal(s) and appropriate orders being passed by the Tribunal(s) pursuant to Sections 230 and 232 of the 2013 Act and other relevant provisions thereof, as applicable; and
- (iii) Certified copies of the relevant Orders of the Tribunal (s) being filed with the Registrar of Companies, West Bengal by AHEL and Registrar of Companies, Chennai by RHPL

6.7.2. This Scheme shall become effective from the Effective Date and the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

7.6. It could be seen from sub- clause (iii) Clause 6.7.1 of the Scheme that the Effective Date is the date of filing of the certified copies of the relevant order with the concerned Registrar of Companies. The Resulting Company has adopted such date as an "Effective Date" as well as "Appointed Date" and this Tribunal, by taking into consideration the clarification issued by MCA vide its General Circular No.09/2019 on 21.08.2019 and being guided by the decision of the Madras High Court in the matter of *In re: Equitas Finance Limited & ORs. [2016] 199 CompCas 124 (Mad.)*, the objections as raised by the Regional Director, Southern Region in para 3 of its report is not sustainable. Thus, the



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Effective Date" as well as "Appointed Date" of the Resulting and the Demerged Company, subject to the sanctioning of the Scheme by the NCLT Kolkata Bench, shall be the date on which they file the Certified copy of the order sanctioning the Scheme with the concerned Registrar of Companies as per sub-clause (iii) of Clause 6.7.1 of the Scheme.

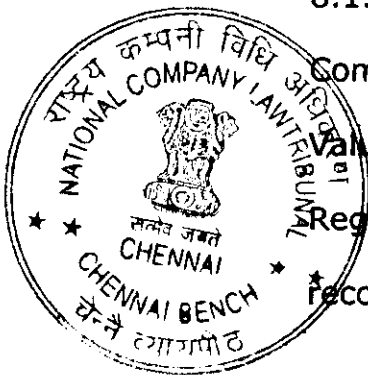
7.7. OTHER STATUTORY AUTHORITIES

In relation to the other statutory authorities to whom notices have been issued, neither they have filed any reply nor raised any objections to the Scheme and in the circumstances, this Tribunal presumes that other statutory Department viz. The Income Tax Department, the SEBI and the BSE do not have any objection to the sanction of the Scheme.

8. VALUATION REPORT

8.1. The Learned Counsel for the Petitioner Companies invited the attention of this Tribunal to the Valuation Report obtained from one Mahim Singh Mehta, Registered Valuer dated January 2020, wherein it has been recommended by the Independent Valuer as follows;

- 1 (one) Equity Share of RHPL having a face value of Rs.10 (Indian Rupees Ten) each shall be issued



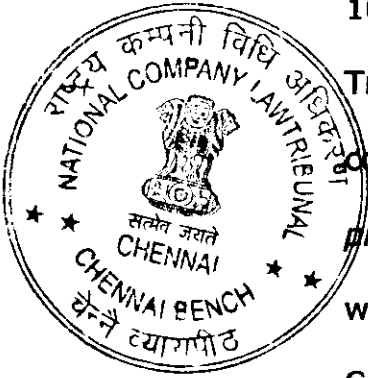
and allotted to shareholders of AHEL for every 1 (one) Equity Share of AHEL having a face value of Rs.10 (India rupees ten) each, held by shareholders of AHEL as of the Record Date.

9. ACCOUNTING TREATMENT

9.1. The Learned Counsel for the Petitioner Companies have stated that the Statutory Auditors of the Petitioner Companies have examined the Scheme and has certified that the Petitioner Companies have complied with proviso to Section 230 (7) / Section 232 (3) and the Accounting Treatment contained in the proposed Scheme of Arrangement is in compliance with the Applicable Indian Accounting Standards. The Certificates issued by the Statutory Auditors certifying the Accounting Treatment of each of the Petitioner Companies are placed at pages 684 and 685 to the typed set filed along with the petition.

10. OBSERVATIONS OF THIS TRIBUNAL

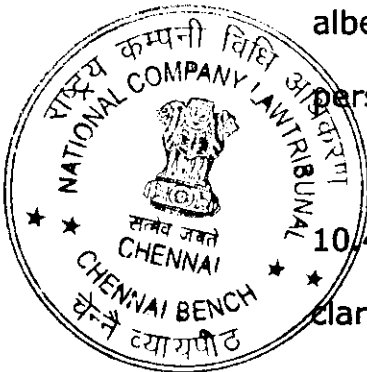
10.1. After analyzing the Scheme in detail, this Tribunal is of the considered view that the scheme as contemplated amongst the petitioner companies seems to be *prima facie* beneficial to the Company and will not be in any way detrimental to the interest of the shareholders of the Company. In view of absence of any other objections having



been placed on record before this Tribunal and since all the requisite statutory compliances having been fulfilled, this Tribunal sanctions the Scheme of Arrangement appended as Annexure "A" along with CP/28/CHE/2021.

10.2. The Learned Counsel for the Petitioner companies submitted that no investigation proceedings are pending against the Transferor or Transferee Companies under the provisions of the Companies Act, 1956 or the Companies Act, 2013 and no proceedings against the petitioner companies for oppression or mismanagement have been filed before this Hon'ble Tribunal or erstwhile Company Law Board.

10.3. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioners.

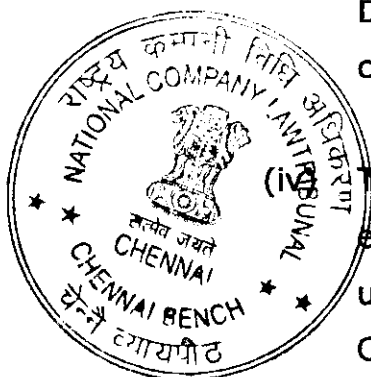


10.4. While approving the Scheme as above, it is clarified that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or

required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

11. THIS TRIBUNAL DO FURTHER ORDER:

- (i) The Existing Equity Shares of RHPL held by AHEL shall be reduced and cancelled (without payment of any consideration)
- (ii) That the sanction of the scheme resulting in the reduction of the share capital of the Resulting Company as above shall be in accordance with the provisions of Section 230 of the Companies Act, 2013 without any further application, act or deed required by the Resulting Company or its shareholders.
- (iii) That all properties, rights and powers of Demerged undertaking be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 232 of the Companies Act, 2013 be transferred to and vested in the Resulting Company for all intents, purposes and interest of the Demerged undertaking subject nevertheless to all changes now affecting the same; and



That all the liabilities, (if any) and powers, engagements, obligations and duties of the Demerged undertaking shall pursuant to Section 232 (3) of the Companies Act, 2013 without further act or deed be transferred to the Resulting Company and accordingly

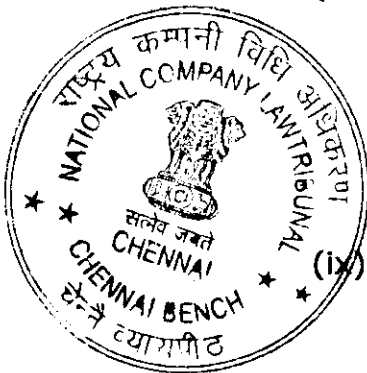
the same become the liabilities and duties of the Resulting Company; and

(v) That all proceedings now pending by or against the Demerged undertaking shall be continued by or against the Resulting Company; and

(vi) That all the services of all the employees of the Demerged Company employed in the Demerged undertaking shall stand transferred to the Resulting Company on the same terms and conditions at which these employees are engaged by the Demerged Company without any interruption of service as a result of the transfer; and

(vii) That upon the Scheme coming into effect, the Resulting Company shall, without any further application or deed, issue and allot 17,291,696 (One Crore Seventy Two Lakh ninety one thousand six hundred and ninety six) New Equity Shares having a face value of Rs.10/- (Rupees ten) each, fully paid – up, to the shareholders of AHEL as on Record Date.

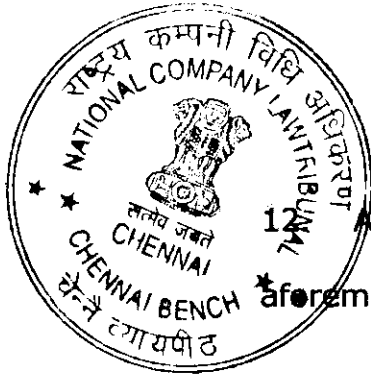
(viii) That the Resulting Company is directed to file the necessary application before the concerned authorities for the conversion of the public limited company to a private limited company.



That the Resulting Company shall file the revised Memorandum and Articles of Association with the concerned Registrar of Companies and further make

the requisite payments of the differential fee (if any) for the enhancement of authorized capital of the Resulting Company after setting off the fees paid by the Transferor Company.

- (x) That the Appointed date for the Scheme is as mentioned in sub-clause (iii) of Clause 6.7.1 of the Scheme.
- (xi) That the Petitioner Companies, shall within thirty days of the date of the receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Demerged undertaking shall be deemed to be transferred; and
- (xii) That any person interested in the Scheme, shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary;



Accordingly, the Company Petition stands **allowed** on the aforementioned terms.

Certified to be True Copy

-sd-
(ANIL KUMAR B)
MEMBER (TECHNICAL)

-sd-
(R. SUCHARITHA)
MEMBER (JUDICIAL)

DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600001

Raymond

24 Jan 2022

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH-I, CHENNAI**

CP/28/CHE/2021 in CA/401/CAA/2020

*(filed under Section 230 to 232 and Section 66 of the Companies Act,
2013 read with Companies (Compromises, Arrangements and
Amalgamations) Rules, 2016)*

In the matter of M/s. Robust Hotels Private Limited

Asian Hotels (East) Limited

... Demerged Company

-Vs-

Robust Hotels Private Limited

... Resulting Company

PRESENT: **R.SUCHARITHA, MEMBER (JUDICIAL)**
ANIL KUMAR B, MEMBER (TECHNICAL)

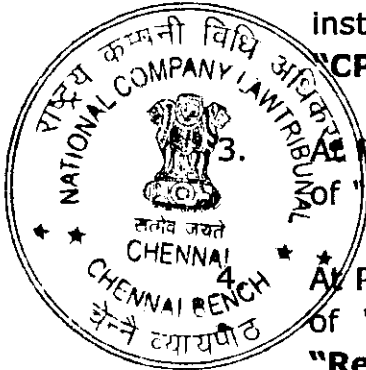
C O R R I G E N D U M

In exercise of powers under Rule 154 of National Company Law Tribunal Rules, 2016, the Order dated 13.10.2021 is rectified as under;

1. At Page 1 of 16 of the Order, the Address of the Demerged Company in the 4th line instead of "Sector – 2" shall be read as "**Sector – 3**".
2. At Page 2 of 16 of the Order in the first para in the 1st line, instead of "CP/28/CHE/2020" shall be read as "**CP/28/CHE/2021**".

At Page 5 of 16 of the Order in para 6 in the 7th line, instead of "16.04.2020" shall be read as "**16.04.2021**".

At Page 5 of 16 of the Order in para 6 in the 8th line, instead of "Regional Director, Southern Region" shall be read as "**Regional Director, Eastern Region**".



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5. At Page 5 of 16 of the Order in para 6 in the 11th and 12th line, instead of "(v) Deputy Commissioner of Income, Circle 5(2), Chennai on 01.04.2021" shall be read as "**(v) Deputy Commissioner of Income Tax, Circle 5(2), Chennai on 01.04.2021**"
6. At Page 11 of 16 of the Order in para 8.1 in the 4th line instead of "dated January 2020" shall be read as "**13th January 2020**"
7. At Page 15 of 16 of the Order in para 11 (viii), in 3rd line instead of "for the conversion of the public limited company to a private limited company" shall be read as "**for the conversion of the private limited company to a public limited company.**"

-sd-
(ANIL KUMAR B)
MEMBER (TECHNICAL)

-sd-
(R. SUCHARITHA)
MEMBER (JUDICIAL)

DATED AT CHENNAI ON THIS 30TH DAY OF NOVEMBER 2021

Certified to be True Copy

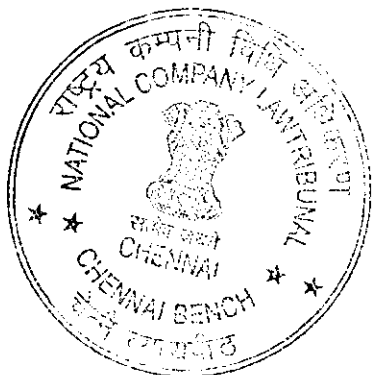
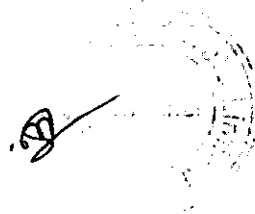
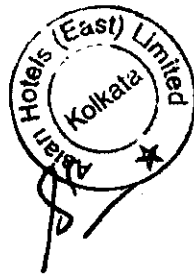


DEPUTY REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600001

24 Jan 2022

**SCHEME OF ARRANGEMENT, DEMERGER AND REDUCTION OF CAPITAL
(UNDER SECTION 230 TO 232 AND SECTION 66 OF THE COMPANIES ACT, 2013)**

**AMONGST
ASIAN HOTELS (EAST) LIMITED
AND
ROBUST HOTELS PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**



PART I

1. OVERVIEW, OBJECTS AND BENEFITS OF THE SCHEME

1.1 Brief Overview of the Companies

1.1.1 Asian Hotels (East) Limited ("AHEL"):

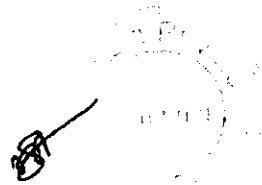
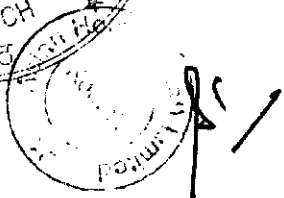
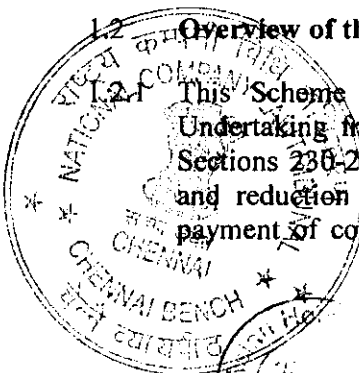
- (i) AHEL is a listed public limited company incorporated under the laws of India and having its registered office at Hyatt Regency, JA-1, Sector - 3, Salt Lake City, Kolkata, West Bengal - 700098, India. The CIN of AHEL is L15122WB2007PLC162762. The PAN of AHEL is AACCV4634N.
- (ii) AHEL is primarily engaged in two lines of business through separate divisions as follows: (a) Hotel Division engaged in the operation and management of Hyatt Regency, Kolkata; and (b) Investment Division which in-turn consists of the Securities Trading Unit and the Strategic Investments Unit.
- (iii) AHEL was incorporated under the name 'Vardhman Hotels Private Limited' on January 08, 2007 as a private limited with the Registrar of Companies, West Bengal, and was converted into a public limited company on July 28, 2007. The name of AHEL was changed to its present name on February 16, 2010.
- (iv) The shares and securities of AHEL are listed on the Stock Exchanges.

1.1.2 Robust Hotels Private Limited ("RHPL"):

- (i) RHPL is a private limited company incorporated under the laws of India and having its registered office at 365, Anna Salai Teynampet, Chennai, Tamil Nadu - 600018, India. The CIN of RHPL is U55101TN2007PTC062085. The PAN for RHPL is AADCR5418B.
- (ii) RHPL is carrying on the business of operating Hyatt Regency Hotel, a hotel located at 365, Anna Salai, Teynampet in Chennai.
- (iii) RHPL was incorporated on January 19, 2007 with the Registrar of Companies, Chennai.
- (iv) RHPL is a wholly owned subsidiary of AHEL, and the shares and securities of RHPL are not listed on any stock exchange.

1.2 Overview of the Scheme of Arrangement

1.2.1 This Scheme contemplates *inter alia* the demerger and transfer of the Demerged Undertaking from AHEL into and with RHPL as a going concern, in accordance with Sections 230-232 of the 2013 Act and in compliance with Section 2(19AA) of IT Act, and reduction and cancellation of equity shares of RHPL held by AHEL (without payment of consideration), in terms of Section 66 of the 2013 Act and used for *inter*



aliawiping out its losses. In addition, as an integral part of the Scheme, AHEL shall make a bonus issue in accordance with Sections 63 of the 2013 Act of fully paid-up equity shares to its equity shareholders (as of the Record Date) in 1:2 ratio, that is, 1 (one) new bonus fully paid-up equity share having face value of Rs. 10 (Indian Rupees ten) for every 2 (two) Equity Shares of the AHEL having face value of Rs. 10 (Indian Rupees ten) each held by a shareholder of AHEL as of the Record Date.

1.2.2 After the effectiveness of this Scheme, the Share Capital of RHPL consisting of the fully paid-up New Equity Shares of RHPL issued as consideration in terms of Part IV of this Scheme to the shareholders of AHEL shall be listed on the Stock Exchanges in accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended from time to time. Further, as an integral part of the Scheme, Equity Shares of RHPL (presently held by AHEL) shall stand cancelled and reduced (without payment of consideration) without any further act and deed, and hence this Scheme contemplates approval of the Tribunal(s) in terms of Section 66 of the 2013 Act, in addition to Sections 230-232 of the 2013 Act.

1.2.3 This Scheme is segregated into six parts:

- (i) Part I sets out an overview, objects and benefits of this Scheme and contains the definitions used in this Scheme and the interpretation pertaining in this Scheme;
- (ii) Part II sets out the capital structure of the Scheme Entities;
- (iii) Part III deals with reorganization of capital in AHEL and RHPL, including issuance of Bonus Shares by AHEL to its equity shareholders (as of the Record Date) in 1:2 ratio, that is, 1 (one) new bonus fully paid-up equity share having face value of Rs. 10 (Indian Rupees ten) for every 2 (two) Equity Shares of the AHEL having face value of Rs. 10 (Indian Rupees ten) each held by a shareholder of AHEL as of the Record Date;
- (iv) Part IV deals with the demerger of the Demerged Undertaking from AHEL and its vesting into and with RHPL in accordance with Sections 230-232 of the 2013 Act and in compliance with Section 2(19AA) of the Income-tax Act, and issuance of consideration shares by RHPL to the shareholders of AHEL;

Part V deals with reduction of capital in RHPL and consequent cancellation of Existing Equity Shares of RHPL held by AHEL without consideration; and

- (vi) Part VI deals with the accounting treatment, taxes, miscellaneous, general terms and conditions applicable to this Scheme, and sets out certain additional arrangements that also form an integral part of this Scheme.

3. Objects and Rationale of this Scheme

1.3.1 AHEL primarily operates in two business segments through separate business divisions:

- (i) its Hotel Division is engaged in the operation and management of the Hyatt Regency, Kolkata; and (ii) its Investment Division comprising of: (a) Strategic Investments Unit,

which *inter alia* includes its investments in and loans given to RHPL and GJS Hotels Limited (“**Strategic Investments Unit**”); and (b) Securities Trading Unit, which *inter alia* includes its treasury/liquid investments, which are regularly traded, and bonds, mutual funds, and shares of certain companies (which already are under an agreement of sale, part performance completed) (“**Securities Trading Unit**”).

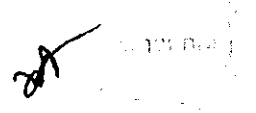
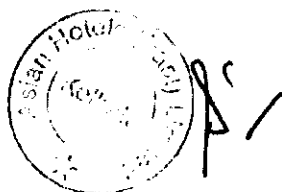
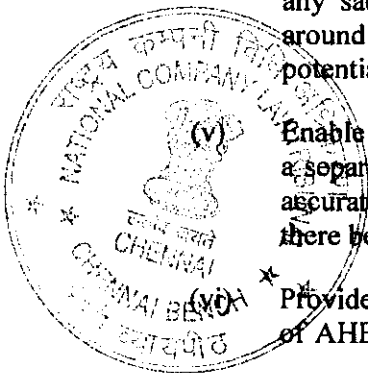
1.3.2 Each of the businesses carried on by AHEL by itself and along with its subsidiaries have significant potential for growth and profitability, however, the nature of risk, competition, challenges, opportunities and business methods for AHEL and RHPL are very different. The proposed demerger would result in segregation and transfer of the Securities Trading Unit into RHPL / Resulting Company and continued housing of the Hotel Division in AHEL/ Demerged Company.

1.3.3 This Scheme is expected to result in the following benefits for AHEL and/or RHPL (as applicable):

- (i) Unlocking the value of AHEL shares to its shareholders, which is presently getting subdued on account of subdued performance and balance sheet of RHPL;
- (ii) Possible release of guarantee(s) presently given by AHEL to the lenders of RHPL. This would clear the contingent liability as appearing in the financial statements of AHEL, and will potentially improve the credit rating of AHEL, thereby enabling reduction in cost of finance for AHEL and better price discovery on the stock market;
- (iii) Pursuant to the Scheme, the Equity Shares of RHPL shall also be entitled to the benefit of getting listed on the Stock Exchanges pursuant to the SEBI Circular. Therefore, shareholders of AHEL (as of the Record Date) shall, as a result of the Scheme, hold Equity Shares of 2 (two) listed entities, AHEL and RHPL. Such shareholders would then be able to choose to remain invested in both or either of AHEL and RHPL, giving them greater flexibility in managing / dealing with their investments in different companies, being AHEL and RHPL in view of their respective businesses, and individual risk profiles;
- (iv) Improving the balance sheet of RHPL and its credit rating by providing liquid assets and resources that would enable enhancement in future profitability without any sacrifice of value by the shareholders of AHEL, enabling potential turn-around and/or expansion programs for RHPL, and assist RHPL in supporting and potentially reducing its debt burden and cost of financing;

(v) Enable unlocking of the true value of the RHPL for the shareholders of AHEL (in a separate entity, being RHPL), which does not appear to be reflecting fully and accurately in the present consolidated market valuation of AHEL on account of there being a holding company discount;

(vi) Provide scope for attracting and accessing targeted funding and investors for each of AHEL and RHPL and provide better flexibility in pursuing long term growth



plans and strategies for the separate companies AHEL and RHPL, instead of RHPL continuing to use AHEL's credit rating and guarantees and equity funds;

- (vii) Enable the management of AHEL to evaluate the performance of the Hotel Division on an independent basis and keep its risks (if any) ring-fenced; and
- (viii) Enable enhanced strategic flexibility and focus of the respective managements of AHEL and RHPL, thereby facilitating the separate managements to efficiently exploit opportunities for each of the said businesses.

1.3.4 The Scheme Entities believe that this Scheme is in the best interests of the Scheme Entities and their respective shareholders and creditors, and other stakeholders, as it is expected to provide greater financial strength and flexibility and better access to funds to both AHEL and RHPL.

1.4 Definitions

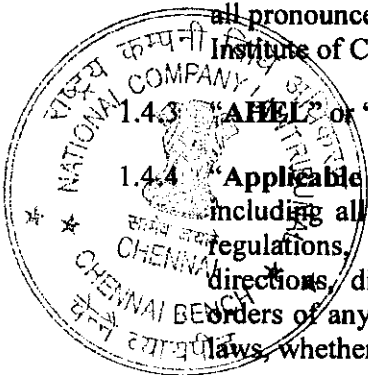
Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the meaning ascribed to such terms and expressions under the 2013 Act, and if not defined therein then under other relevant statutes, such as the Income Tax Act, 1961, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof. In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

1.4.1 "2013 Act" means the Companies Act, 2013 and the rules framed under such a statute and includes any alterations, modifications and amendments made to such a statute or any re-enactment of such a statute;

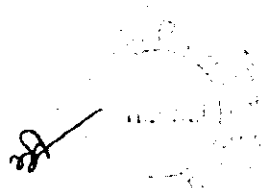
1.4.2 "Accounting Standards" means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard (Ind AS), and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India;

1.4.3 "AHEL" or "Demerged Company" means Asian Hotels (East) Limited;

1.4.4 "Applicable Laws" means relevant and applicable central, state and local laws of India, including all statutes, enactments, acts of legislature, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, Accounting Standards, policies, administration, directions, directives, decisions, orders, executive orders, decrees, judicial decisions, orders of any Governmental Authority or other similar directives made pursuant to such laws, whether in effect on the date of this Scheme or at any time after such date;







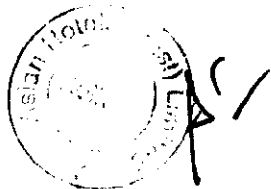
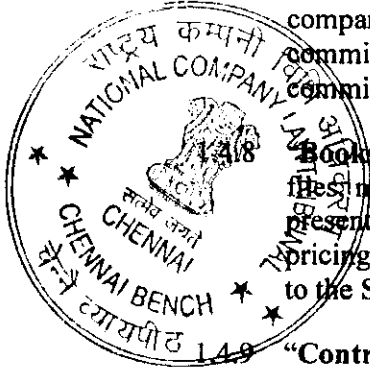
1.4.5 **“Appointed Date”** means the Effective Date (beginning of business hours) or such other date as may be directed / approved by the Tribunal(s), being the date with effect from which this Scheme shall, post effectiveness of this Scheme, be operative;

1.4.6 **“Assets of the Demerged Undertaking”** means all assets and property (wherever located, including in the possession of third parties) pertaining to the Securities Trading Unit (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including any and all: (i) rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold or any of its equipment; (ii) capital work-in-progress, furniture, fixtures, office equipment, computer software (including assets which are licensed, leased or otherwise), financial assets, cash and bank balance, application monies, current assets, sundry debtors, all outstanding loans granted, deposits made, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, premises, hire purchase and lease arrangements;(iii) tax deferrals and benefits (including sales tax and service tax), sales tax credits, CENVAT credits, MAT and other income tax credits, interest tax credits, wealth tax credits, no-objection certificates, any other tax paid in advance or in excess or provisionally or TDS deducted;(iv) benefit of any exemptions, consents, privileges, liberties, advantages, exemptions, incentives receivable under Applicable Laws or in terms of certain schemes or policies of Governmental Authorities, (including in relation to any taxes); (v) rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of, or enjoyed by, or to which, AHEL may be entitled in regard to the Securities Trading Unit and all other interests in connection with or relating to such Securities Trading Unit;(vi) and specifically includes Deposits and Balances of the Demerged Undertaking, Investments of the Demerged Undertaking, Contracts of the Demerged Undertaking, IPR of the Demerged Undertaking, Licenses of the Demerged Undertaking, Employees of the Demerged Undertaking, and Books and Records of the Demerged Undertaking;

1.4.7 **“Board of Directors”**, in relation to any company, means the board of directors of such a company and, unless contrary to the provisions of Applicable Laws, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;

“Books and Records of the Demerged Undertaking” means books, records, papers, files, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer information, customer and supplier pricing information, whether in physical or electronic form, directly or indirectly relating to the Securities Trading Unit;

“Contracts of the Demerged Undertaking” means contracts, agreements, engagements, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, insurance policies, security arrangements, claims against any third parties, guarantees, letters of credit, reversions, tenancies and other such arrangements or facilities, whether written or otherwise, deeds,



bonds, schemes, powers and facilities of every kind and description whatsoever or other understandings, deeds and instruments of whatsoever nature pertaining to such Securities Trading Unit, including agreements with any Governmental Authority, sale agreements, agreements to sell, equipment purchase agreements, hire purchase agreements, lending agreements and other agreements with the customers, sales orders, purchase orders and other agreements and contracts with the supplier of goods or service providers and all rights, title, interests, claims and benefits, of whatsoever nature, which pertain to such Securities Trading Unit;

1.4.10 **“Demerged Undertaking”** means the undertaking, business, activities and operations of the AHEL pertaining to Securities Trading Unit, and specifically including any and all:(i) Assets of the Demerged Undertaking; and (ii) Liabilities of the Demerged Undertaking;

1.4.11 **“Deposits and Balances of the Demerged Undertaking”** means deposits and balances with Governmental Authorities, customers and other Persons, advance monies, earnest monies, payment against warrants or other entitlements, security deposits (including interest) paid or received, directly or indirectly, in connection with the Securities Trading Unit;

1.4.12 **“Effective Date”** has the meaning assigned to such term in Clause 6.7; Any references in this Scheme to “upon this Scheme becoming effective” or “upon the effectiveness of this Scheme” or “post effectiveness of this Scheme” means and refers to the Effective Date;

1.4.13 **“Employees of the Demerged Undertaking”** means employees of AHEL engaged in connection with the Securities Trading Unit;

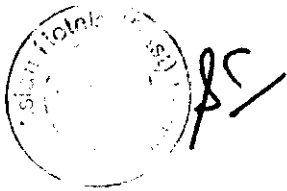
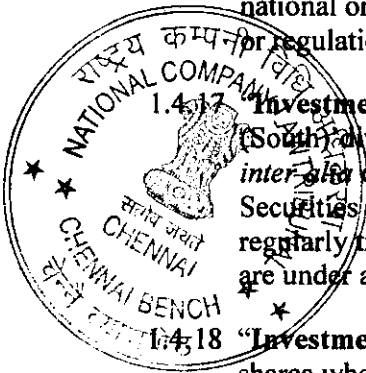
1.4.14 **“Equity Shares”**, in regard to a company, means the fully paid-up equity shares of such a company;

1.4.15 **“Existing Equity Shares of RHPL”** means Equity Shares of RHPL having face value of Rs. 10 (Indian Rupees ten each), each of which is held by AHEL;

1.4.16 **“Governmental Authority”** means the Government of India, State Government(s) and any competent governmental, quasi-governmental, regulatory, statutory or administrative authority, agency, department, commission or instrumentality (whether local, municipal, national or otherwise), court, board or tribunal of competent jurisdiction or other law, rule or regulation making entity, including SEBI;

1.4.17 **“Investment Division”** means the separate ‘Investments including investment in Hotel (South) division of AHEL consisting of (A) the Strategic Investments Unit comprising inter-alia of investment in and loans given to RHPL and GJS Hotels Limited; and (B) the Securities Trading Unit comprising of treasury/liquid investments which is being regularly traded and bonds, mutual funds, and shares of certain companies (which already are under an agreement of sale, part performance completed);

1.4.18 **“Investments of the Demerged Undertaking”** means investments of all kinds (including shares whether in dematerialised or physical form, scrips, stocks, bonds, debenture stock, units, units of mutual fund schemes, pass through certificates or security receipts)



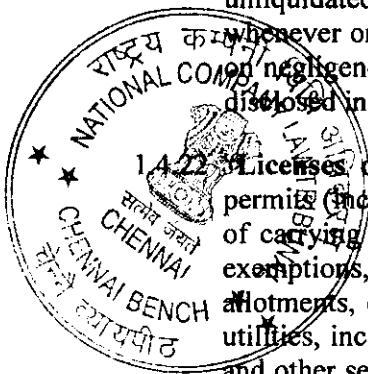
pertaining to the Securities Trading Unit, including all investments made out of shareholders' funds, all cash balances with banks, money at call and short notice, loans, advances, contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, money market instruments including rated certificates of deposits and commercial papers, repos, reverse repo, treasury bills, call, notice, term money, buildings, structures and offices held for the benefit of, or enjoyed by, or to which, AHEL may be entitled and the depository participant accounts;

1.4.19 "IPR of the Demerged Undertaking" means intellectual property rights, registrations, trademarks, trade names, service marks, copyrights, patents, designs, technical know-how, domain names, including applications made in regard to such intellectual property rights with Governmental Authorities, used by or held for use in connection with the Securities Trading Unit, whether or not recorded in the books of accounts, and other intellectual property rights of any nature whatsoever, books, records, files, papers, process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, and all other records and documents, whether in physical or electronic form, relating to the Securities Trading Unit;

1.4.20 "IT Act" means the Income-tax Act, 1961, the rules and regulations framed under such a statute and includes any alterations, modifications, amendments made thereto, and, or, any re-enactment of such a statute;

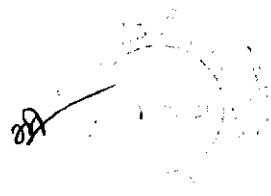
1.4.21 "Liabilities of the Demerged Undertaking" means debts, borrowings, duties, guarantees, and liabilities including current tax (including but not limited to income tax, goods and services tax, service tax, value added tax, sales tax, etc.) and deferred tax balances, contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Securities Trading Unit, including specific loans and borrowings (if any), advanced received, and any current liabilities incurred and utilised solely for the activities or business or operation of such Securities Trading Unit, all assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whether or however arising (including whether arising out of any contract or tort based on negligence or strict liability), whether provided for or not in the books of accounts or disclosed in the financial statements pertaining to such Securities Trading Unit;

1.4.22 "Licenses of the Demerged Undertaking" means licences, consents, approvals and permits (including the licenses granted by any Governmental Authorities for the purpose of carrying on the Securities Trading Unit or in connection therewith), authorizations, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, allotments, concessions, certifications, liberties, subsidies, rights to use and avail of all utilities, including telephones, leased line connections and installations, water, electricity and other services and benefits of all rights including memberships, powers and facilities of every kind and description whatsoever, whether statutory or otherwise, and any waiver



of the foregoing, issued by any Governmental Authorities used or held for use in connection with the Securities Trading Unit;

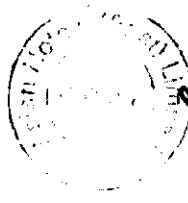
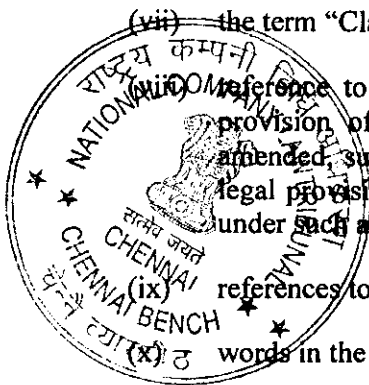
- 1.4.23 **"New Equity Shares of RHPL"** means Equity Shares of RHPL having face value of Rs. 10 (Indian Rupees ten) each;
- 1.4.24 **"Person"** means and includes any natural person, limited or unlimited liability company, corporation, limited or unlimited liability partnership firm, proprietorship firm, Hindu undivided family, trust, union, association or Governmental Authority or any other entity that may be treated as a person under Applicable Laws;
- 1.4.25 **"Public Shareholders"** in regard to a company, means shareholders of such company which are within the meaning of **"public"**, as the term is defined in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957;
- 1.4.26 **"Record Date"** means the date to be fixed by the Board of Directors of AHEL in consultation with the Board of Directors of RHPL in terms of Clause 6.9 for the purpose of (i) issue of Bonus Shares in terms of Part III of this Scheme; and (ii) issue of fully paid-up New Equity Shares of RHPL by RHPL to the shareholders of AHEL in terms of Part IV of this Scheme;
- 1.4.27 **"Registrar of Companies"** means (i) with respect to AHEL, Registrar of Companies, West Bengal; (ii) with respect to RHPL means the Registrar of Companies, Chennai;
- 1.4.28 **"RHPL"** or **"Resulting Company"** means Robust Hotels Private Limited;
- 1.4.29 **"Scheme"** means this Scheme of Arrangement and Demerger and Reduction of Capital under Section 230-232 and Section 66 of the 2013 Act, as modified or amended from time to time in accordance with Applicable Laws and with the requisite approval of the Tribunals;
- 1.4.30 **"Scheme Entities"** means AHEL and RHPL collectively;
- 1.4.31 **"SEBI"** means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;
- 1.4.32 **"Share Capital"**, in regard to a company, means the total issued, subscribed and paid-up share capital of such company;
- 1.4.33 **"Share Entitlement Ratio"** has the meaning assigned to such a term in Clause 4.2.2;
- 1.4.34 **"Stock Exchanges"** means collectively BSE Limited and the National Stock Exchange of India Limited; and
- 1.4.35 **"Tribunal"** means National Company Law Tribunal, Kolkata Bench and / or National Company Law Tribunal, Chennai Bench (as applicable), having territorial jurisdiction in the State(s) in which the respective registered offices of the Scheme Entities are located.



1.5 Interpretation

1.5.1 In this Scheme, unless the context otherwise requires:

- (i) the words “including”, “include” or “includes” shall be interpreted in a manner as though the words “without limitation” immediately followed the same;
- (ii) the words “directly or indirectly” mean directly or indirectly through one or more affiliates, associates, relatives or other intermediary Persons and “direct or indirect” shall have the correlative meanings;
- (iii) any Person includes that Person’s legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
- (iv) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;
- (v) the words “other”, “or otherwise” and “whatsoever” shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- (vi) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (vii) the term “Clause” refers to the specified clause of this Scheme;
- (viii) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision;
- (ix) references to one gender includes all genders; and
- (x) words in the singular shall include the plural and *vice versa*.



2. CAPITAL STRUCTURE

2.1 AHEL

2.1.1 The capital structure of AHEL as on December 31, 2019 is as under:

Share Capital	
Authorised Capital	
90,000,000 Equity Shares of Rs. 10 each	900,000,000
1,000,000 Preference Shares of Rs. 10 each	10,000,000
Total	910,000,000
Issued, Subscribed and Paid-up Share Capital	
11,527,797 Equity Shares of Rs. 10 each	115,277,970
Total	115,277,970

2.1.2 The Equity Shares of AHEL are listed on the Stock Exchanges.

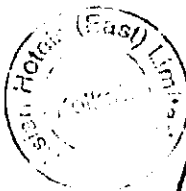
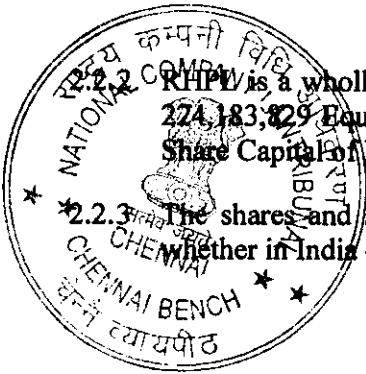
2.2 RHPL

2.2.1 The capital structure of RHPL as on December 31, 2019 is as under:

Share Capital	
Authorised Capital	
225,000,000 Equity Shares of Rs. 10 each	2,250,000,000
Total	2,250,000,000
Issued, Subscribed and Paid-up Share Capital	
224,183,829 Equity Shares of Rs. 10 each	2,241,838,290
Total	2,241,838,290

2.2.2 RHPL is a wholly owned subsidiary of AHEL. AHEL legally and beneficially holds all 224,183,829 Equity Shares of RHPL, representing 100% (one hundred per cent.) of the Share Capital of RHPL.

2.2.3 The shares and securities of RHPL are, at present, not listed on any stock exchange, whether in India or in any other country.



3. REORGANISATION OF CAPITAL

3.1 Issue of Bonus Equity Shares

3.1.1 Upon the Scheme becoming effective, AHEL shall issue and allot by way of bonus, to each equity shareholder whose name is recorded in the Registrar of Members of the Company and/or the records of the depository(ies) as equity shareholder of AHEL on the Record Date, in the ratio of 1:2, that is, 1 (one) new bonus fully paid-up equity share having face value of Rs. 10 (Indian Rupees ten) ("Bonus Shares") for every 2 (two) Equity Shares of the AHEL having face value of Rs. 10 (Indian Rupees ten) each held by a shareholder of AHEL as of the Record Date.

3.1.2 The Bonus Shares to be issued and allotted by AHEL shall be subject to the provisions of the Memorandum of Association and Articles of Association of AHEL and shall rank *pari passu* with the Equity Shares of AHEL in every respect.

3.1.3 As soon as practicable after the issuance of Bonus Shares, AHEL shall take necessary steps towards listing of the Bonus Shares on the Stock Exchanges, subject to all regulatory approvals and Applicable Law.

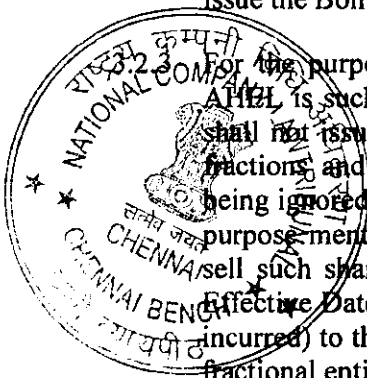
3.2 Issuance mechanics and other relevant provisions

3.2.1 The issuance and allotment of Bonus Shares to the shareholders of AHEL in terms of Part III of this Scheme is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under the 2013 Act, including Section 63, as well as all applicable SEBI regulations have been complied with.

3.2.2 Subject to Applicable Laws, the Bonus Shares shall be issued in dematerialised form, unless a shareholder of AHEL gives a notice to AHEL on or before the Record Date, requesting for issuance of Bonus Shares in physical form. The shareholders of AHEL shall provide such confirmation, information and details as may be required by AHEL to issue the Bonus Shares.

3.2.3 For the purpose of the allotment of Bonus Shares, in case any member's holding in AHEL is such that the member becomes entitled to a fraction of a Bonus Share, AHEL shall not issue fractional Bonus Shares to such members, but shall consolidate all such fractions and issue such consolidated number of Bonus Shares (any further fractions being ignored) to a person, who shall act as a trustee of such Bonus Shares for the limited purpose mentioned herein, nominated by the Board of AHEL in that behalf, who shall sell such shares as and when he deems fit, but within a period of one year from the effective Date, and shall distribute the net sale proceeds (after deduction of the expenses incurred) to the members respectively entitled to the same, in proportion to the respective fractional entitlements in the Bonus Shares.

3.2.4 No Bonus Shares will be issued under this Scheme in respect of any equity shares of AHEL that have been forfeited or partly paid. The issuance of Bonus Shares pursuant to



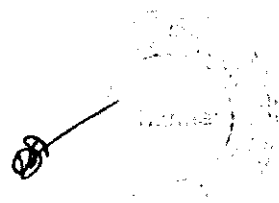
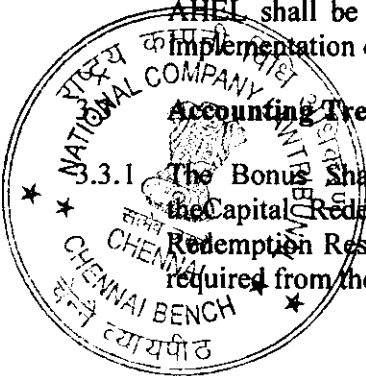
this Scheme in respect of any equity shares of AHEL which are held in abeyance shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by AHEL. The Equity Shares lying in 'Unclaimed Suspense Account' (if any) and the Equity Shares held in the Investor Education and Protection Fund (if any) shall also be eligible for issuance of Bonus Shares and such Bonus Shares shall be dealt with in the same manner as Equity Shares lying in the said Unclaimed Suspense Account and/or the Investor Education and Protection Fund (as the case may be).

3.2.5 Bonus Shares shall be granted exclusively to the equity shareholders of AHEL as on the Record Date. This Scheme or Part III hereon does not, in any manner, constitute an offer or an invitation to the public to subscribe to the Bonus Shares / Equity Shares of AHEL. Neither the Scheme nor any related document shall constitute an offer document or prospectus in any manner or for any purpose whatsoever.

3.2.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of AHEL, the Board of Directors of AHEL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in AHEL as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor / transferee of the shares in AHEL and in relation to the issuance of Bonus Shares. The Board of Directors of AHEL shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme in regard to issuance of Bonus Shares.

Accounting Treatment

3.3.1 The Bonus Shares shall be issued by utilizing (capitalising) the entire amount in the Capital Redemption Reserve Account of AHEL pursuant to which the Capital Redemption Reserve Account shall be left with nil balance; and thereafter to the extent required from the General Reserves of AHEL.



PART IV

4. DEMERGER OF DEMERGED UNDERTAKING FROM AHEL TO AND INTO RHPL AND ISSUE OF CONSIDERATION SHARES BY RHPL

4.1 Demerger and Vesting of the Demerged Undertaking

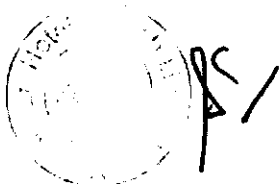
4.1.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all the present and future assets and liabilities of the Demerged Undertaking as on the Appointed Date, whether known or unknown, and the entire business of the Demerged Undertaking shall stand transferred to and vested in RHPL, as a going concern, without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, in accordance with Sections 230 to 232 of the 2013 Act and other provisions of Applicable Laws, if any, and the provisions contained herein.

4.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

(i) all Assets of the Demerged Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and, or, by endorsement and delivery, or by vesting and recordal, including equipment, furniture and fixtures, shall stand vested in and be deemed to be vested in RHPL, wherever located, and shall become the property and an integral part of RHPL in terms of this Scheme. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

(ii) all Assets of the Demerged Undertaking that are movable properties, other than those described under sub-clause (i) above, including investments in shares and any other securities, money market instruments including rated certificates of deposits and commercial papers, repos, reverse repo, treasury bills, call, notice, term money, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authorities, customers and other Persons shall, without any further act or deed, become the property of RHPL and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. For the avoidance of doubt, it is clarified that investments of the Demerged Undertaking shall, pursuant to Sections 230 to 232 of the 2013 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 RHPL with effect from the Appointed Date.

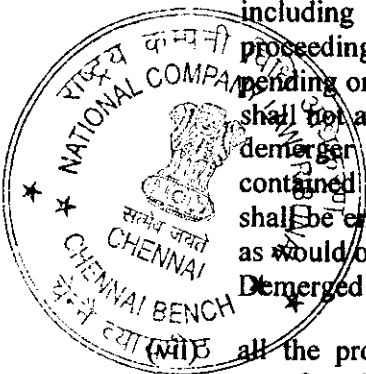
(iii) all Assets of the Demerged Undertaking that are immovable properties (whether owned, or leased / licensed), including any right or interest in the buildings and



structures standing thereon and all lease / license or rent agreements, together with security deposits and advance / prepaid lease / license fee, rights and easements in relation to such properties shall stand transferred to and be vested in and, or, be deemed to have been transferred to and vested in RHPL, without any further act or deed, pursuant to applicable provisions of the 2013 Act and the provisions of this Scheme. RHPL shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease / license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to RHPL.

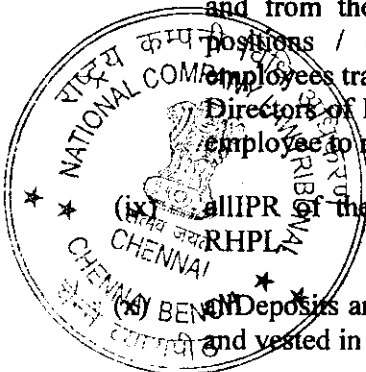
- (iv) all Liabilities of the Demerged Undertaking shall, pursuant to Sections 230 to 232 of the 2013 Act and the provisions of this Scheme and, without any further act or deed, become the debts, liabilities, contingent liabilities, duties and obligations of RHPL, without any further act or deed, and RHPL shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- (v) all Contracts of the Demerged Undertaking shall be and remain in full force and effect on, against or in favour of RHPL and may be enforced as fully and effectually as if, instead of AHEL, RHPL had been a party or beneficiary or obligor thereto. All Contracts of the Demerged Undertaking shall stand transferred and vested in favour of RHPL on the same terms and conditions. RHPL and the other parties to such agreements shall continue to comply with the terms, conditions and covenants thereunder.
- (vi) any notices, disputes, pending suits / appeals, legal, taxation, or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature relating to Demerged Undertaking, whether pending on the Appointed Date or which may be instituted any time in the future shall not abate, be discontinued or in any way prejudicially affected by reason of demerger and vesting of the Demerged Undertaking in RHPL or anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against RHPL in the same manner and to the same extent as would or might have been continued, prosecuted and, or, enforced by or against Demerged Undertaking, as if this Scheme had not been implemented.

all the property, assets and liabilities of the Demerged Undertaking shall be transferred by AHEL to RHPL at the values appearing in the books of account of AHEL on the Appointed Date. The accounts of AHEL and RHPL shall be

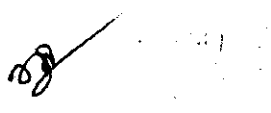
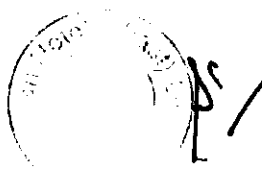


reconstructed in accordance with Applicable Laws and the relevant provisions of this Scheme. Upon the Scheme becoming effective, the accounts of AHEL and RHPL shall be restated with effect from the Appointed Date, as specified in the Scheme and as per directions of the Tribunal in this regard (if any). The income-tax returns, GST returns and other returns of each of AHEL and RHPL (as filed for any period after the Appointed Date) may be revised and re-filed accordingly.

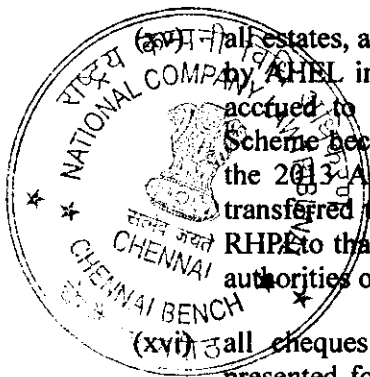
- (viii) all Employees of the Demerged Undertaking shall become employees of RHPL with effect from the Effective Date, on such terms and conditions as are no less favourable in aggregate than those on which they are currently engaged by the Demerged Undertaking, without any interruption of service as a result of this demerger and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such Employees of the Demerged Undertaking, upon this Scheme becoming effective, RHPL shall stand substituted for AHEL for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by AHEL, in accordance with the provisions of Applicable Laws or otherwise. RHPL undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the Employees of the Demerged Undertaking, the past services of such Employees of the Demerged Undertaking shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Demerged Undertaking will transfer / handover to RHPL, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its employees and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause. RHPL shall continue to abide by any agreement(s) / settlement(s) entered into / by AHEL with any of the Employees of the Demerged Undertaking prior to the Appointed Date and from the Appointed Date till Effective Date. In case of conflict of any positions / designations between the current employees of RHPL and the employees transferred from AHEL as a consequence of this Scheme, the Board of Directors of RHPL shall be entitled to re-classify the designation of any relevant employee to resolve such conflict.



- (ix) All IPRA of the Demerged Undertaking shall stand transferred to and vested in RHPL.
- (x) Deposits and Balances of the Demerged Undertaking shall stand transferred to and vested in RHPL.

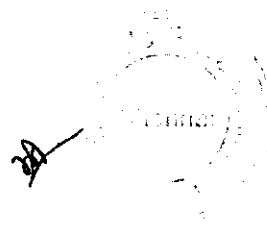


- (xi) all Books and Records of the Demerged Undertaking shall stand transferred to and vested in RHPL.
- (xii) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, self-assessment tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax, stamp duty etc.) including any interest, penalty, surcharge and cess, if any, payable by or refundable to or being the entitlement of AHEL in connection with the Demerged Undertaking, including all or any refunds or claims shall be treated as the tax liability or refunds / credits / claims, as the case may be, of RHPL and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, tax losses, including brought forward business loss, unabsorbed depreciation, etc., as would have been available to AHEL in connection with the Demerged Undertaking, shall pursuant to this Scheme becoming effective, be available to RHPL.
- (xiii) all Licences of the Demerged Undertaking shall be in full force and effect in favour of RHPL and may be enforced as fully and effectually as if, instead of AHEL, RHPL had been a party or beneficiary or obligee thereto. For the avoidance of doubt, it is clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution / endorsement in the name of RHPL pursuant to the sanction of this Scheme by the Tribunal and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, RHPL shall file appropriate applications / documents with relevant authorities concerned for information and record purposes.
- (xiv) benefits of any and all corporate approvals as may have already been taken by AHEL in connection with the Demerged Undertaking, including approvals under Sections 42, 62(1A), 180, 185, 186 and 188 of the 2013 Act shall stand transferred to RHPL and the said corporate approvals and compliances shall be deemed to have been taken / complied with by RHPL.



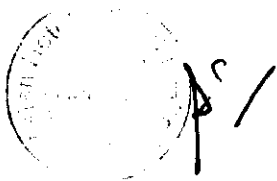
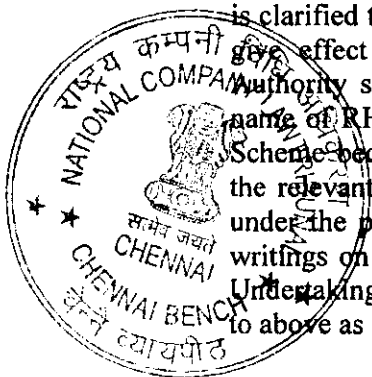
(xv) all estates, assets, rights, title, interests and authorities accrued to and, or, acquired by AHEL in regard to the Demerged Undertaking shall be deemed to have been accrued to and, or, acquired for and on behalf of RHPL and shall, upon this Scheme becoming effective, pursuant to the provisions of Sections 230 to 232 of the 2013 Act and this Scheme, without any further act or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in RHPL to that extent and shall become the estates, assets, right, title, interests and authorities of RHPL.

(xvi) all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of AHEL (insofar as the same pertains to the Demerged Undertaking) after the Effective Date, shall be accepted



by the bankers of RHPL and credited to the accounts of RHPL, if presented by RHPL.

- 4.1.3 It is clarified that no assets, liabilities, deposits and balances, investments, contracts, intellectual property rights, licences, employees and books and records of AHEL, except those pertaining to the Demerged Undertaking (which are transferred to Resulting Company in terms of the Clause 4.1.2), shall be transferred to, or vested in, RHPL in terms of the provisions of Part IV of this Scheme.
- 4.1.4 Upon this Scheme becoming effective and the consequent demerger and vesting of the Demerged Undertaking into and with RHPL, the secured creditors of AHEL, if any, shall not be entitled to any encumbrance over any of the assets of the Demerged Undertaking. It is clarified that all the assets of the Demerged Undertaking shall, subject to Applicable Laws, remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by RHPL in accordance with the provisions of Applicable Laws. For this purpose, no further consent from the existing secured creditors of AHEL, if any, shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors, if any.
- 4.1.5 RHPL shall, at any time after this Scheme becomes effective in accordance with the provisions hereof and as the successor entity of AHEL, in relation to the Demerged Undertaking, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking, including any filings with the regulatory authorities, in order to give formal effect to the above provisions. RHPL shall, under the provisions hereof, be deemed to be authorised to execute any such writings in the name of and on behalf of AHEL in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of AHEL *inter alia* in its capacity as the successor-in-interest of AHEL in relation to the Demerged Undertaking.
- 4.1.6 RHPL shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer / obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by AHEL in connection with the Demerged Undertaking. It is clarified that if the consent of any third party or Governmental Authority is required to give effect to the provisions of this Clause, the said third party or Governmental Authority shall make and duly record the necessary substitution / endorsement in the name of RHPL pursuant to the sanction of this Scheme by the Tribunals, and upon this Scheme becoming effective. RHPL shall file appropriate applications / documents with the relevant authorities concerned for information and record purposes and RHPL shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of AHEL insofar as the same are in connection with the Demerged Undertaking and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

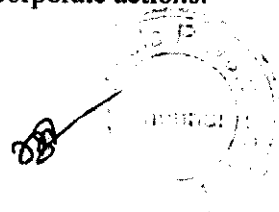
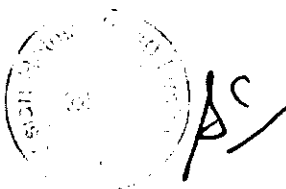
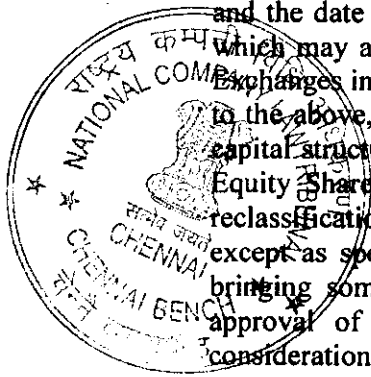


4.2 Payment of Consideration for Demerged Undertaking

- 4.2.1 Upon this Scheme coming into effect, the shareholders of AHEL as of Record Date shall be entitled to receive Equity Shares of RHPL as detailed in this Clause 4.2 of this Scheme.
- 4.2.2 AHEL and RHPL have engaged Mr. Mahim S. Mehta, a Registered Valuer (as defined in the Companies (Registered Valuers and Valuation) Rules, 2017), to provide a Capital Allocation Report / Share Entitlement Report. In connection with such engagement, Mr. Mahim S. Mehta has issued a Capital Allocation Report / Share Entitlement Report dated January 13, 2020. AHEL and RHPL had engaged D&A Financial Services (P) Limited, Merchant Bankers, to provide a fairness opinion on Share Entitlement Ratio adopted under this Scheme. In connection with such engagement, D&A Financial Services (P) Limited, Merchant Banker has issued a fairness opinion dated January 13, 2020 ("Fairness Opinion"). The Board of Directors of each of AHEL and RHPL have determined the Share Entitlement Ratio as 1:1, based on their independent judgment and after taking into consideration the aforesaid Capital Allocation Report / Share Entitlement Report and Fairness Opinion ("Share Entitlement Ratio"). Therefore, 1 (one) Equity Share of RHPL having a face value of Rs. 10 (Indian rupees ten) each shall be issued and allotted to shareholders of AHEL for every 1 (one) Equity Share of AHEL having a face value of Rs. 10 (Indian rupees ten) each, held by shareholders of AHEL as of the Record Date.
- 4.2.3 In aggregate RHPL shall issue and allot 17,291,696 (one crore seventy-two lac ninety-one thousand six hundred ninety six) New Equity Shares having a face value of Rs. 10 (Indian rupees ten) each, fully paid-up, to the shareholders of AHEL as on Record Date, in a manner and proportion such that pursuant to such issuance and allotment (and reduction of capital in terms of Part V) on the Effective Date, the shareholding pattern (in terms of number of equity shares) and *inter-se* shareholding percentage of shareholders of RHPL shall mirror the shareholding pattern (in terms of number of equity shares) and *inter-se* shareholding percentage of the shareholders of AHEL, as on the Record Date.

4.3 Issuance mechanics and other relevant provisions

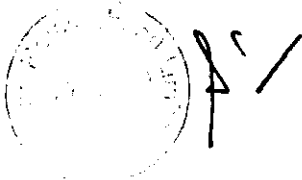
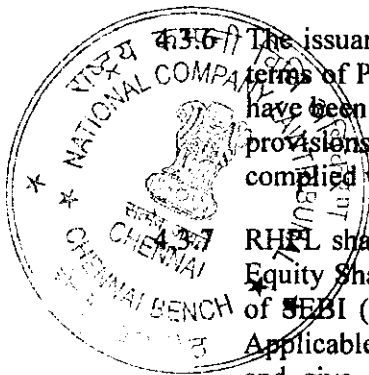
- 4.3.1 There shall be no change in the shareholding pattern of RHPL between the Record Date and the date on which the New Equity Shares are listed in terms of the SEBI Circular, which may affect the status of the observation / no-objection letter issued by the Stock Exchanges in respect of the Scheme (in terms of Regulations 37 of SEBI LODR). Subject to the above, in the event that AHEL and, or, RHPL, as the case may be, change their capital structures prior to the Effective Date, either by way of any increase (by issue of Equity Shares, bonus shares, convertible securities or otherwise), decrease, reduction, reclassification, sub-division, consolidation, or re-organisation in any other manner except as specifically provided in this Scheme itself, which would have the effect of bringing some change to the capital structures of such company(ies), subject to the approval of the Scheme Entities, the Share Entitlement Ratio and / or number consideration shares to be issued (as applicable) shall stand modified / adjusted accordingly to take into account the effect of such corporate actions.



- 4.3.2 Subject to Applicable Laws, the fully paid-up New Equity Shares of RHPL that are to be issued in terms of Clause 4.2 shall be issued in dematerialised form, unless a shareholder of AHEL gives a notice to AHEL and RHPL on or before the Record Date, requesting for issuance of such Equity Shares in physical form. The shareholders of AHEL shall provide such confirmation, information and details as may be required by RHPL to enable it to issue the aforementioned Equity Shares. However, if as of the date of allotment by RHPL, AHEL is unable to provide the details of the demat account of any particular shareholder, subject to applicable law, RHPL shall allot the appropriate number of New Shares to such shareholder in physical form. Notwithstanding the above, if as per Applicable Laws, RHPL is not permitted to issue and allot the New Equity Shares in physical form, and it has still not received the demat account details of certain shareholders of AHEL, it shall issue and allot such shares in lieu of the New Equity Share entitlement of such shareholders, into a demat suspense account, which shall be operated by one of the directors of RHPL, duly authorised in this regard, who shall upon receipt of appropriate evidence from such shareholders regarding their entitlement, will transfer from such demat suspense account into the individual demat accounts of such claimant shareholders, such number of shares as may be required in terms of this Scheme.
- 4.3.3 Equity shares to be issued by RHPL pursuant to Clause 4.2 in respect of Equity Shares of the shareholders of AHEL which are held in abeyance shall also be kept in abeyance.
- 4.3.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of AHEL, the Board of Directors of AHEL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in AHEL as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor / transferee of the shares in AHEL and in relation to the Equity Shares issued by RHPL upon the effectiveness of this Scheme. The Board of Directors of AHEL and RHPL shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in RHPL on account of difficulties faced in the transition period.
- 4.3.5 The New Equity Shares to be issued and allotted by RHPL in terms of Clause 4.2 shall be subject to the provisions of the Memorandum of Association and Articles of Association of RHPL, and shall rank *pari passu* with the Equity Shares of RHPL.

4.3.6 The issuance and allotment of Equity Shares by RHPL to the shareholders of AHEL in terms of Part IV of this Scheme is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62 and other applicable provisions of the 2013 Act, as well as all applicable SEBI regulations have been complied with.

4.3.7 RHPL shall apply to the Stock Exchanges and SEBI for listing and admission of all the Equity Shares of RHPL (including the New Equity Shares of RHPL) to trading in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, read with Applicable Laws. RHPL shall enter into such arrangements, complete such formalities and give such confirmations and/or undertakings to the Stock Exchanges as may be



necessary in accordance with the Applicable Laws for the listing of Equity Shares of RHPL.

4.3.8 The New Equity Shares of RHPL issued and allotted pursuant to the Scheme shall remain frozen in the depository system until listing/trading permission is given by the designated Stock Exchange for such New Equity Shares of RHPL.

4.3.9 RHPL shall, if and to the extent required, apply for and obtain any approvals from the appropriate authorities including the Reserve Bank of India, for the issue and allotment of Equity Shares of RHPL by RHPL to non-resident equity shareholders of AHEL, if any, in terms of the Applicable Laws, including rules and regulations applicable to foreign investment.

4.4 Accounting Treatment

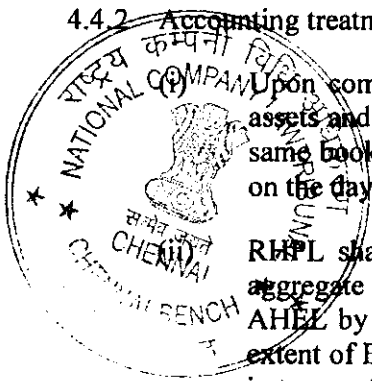
4.4.1 Accounting treatment in the books of AHEL:

- (i) Upon this Scheme becoming effective, the book value of assets and liabilities of the Demerged Undertaking as appearing in the books of account of AHEL and transferred to RHPL shall be reduced from the book value of assets and liabilities of AHEL as on the close of business on the day immediately preceding the Appointed Date.
- (ii) The difference between the book value of assets and liabilities of the Demerged Undertaking, shall be accounted for under 'Demerger Adjustment Account', which shall be specifically created to account for this balance; and thereafter the same shall be adjusted/set-off first against the amount lying to the credit of the Capital Reserve Account, and thereafter against the amount lying to the credit of the General Reserve Account of AHEL.
- (iii) Notwithstanding the above, the Board of Directors of AHEL, in consultation with its statutory auditors, is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate and is authorized by the Accounting Standards and/or Generally Accepted Accounting Principles.

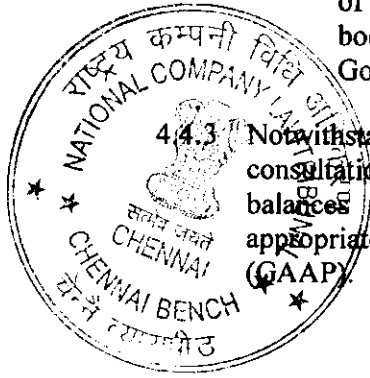
4.4.2 Accounting treatment in the books of RHPL:

Upon coming into effect of this Scheme, Transferee Company shall record the assets and liabilities transferred to and vested in it pursuant to this Scheme, at the same book values as appearing in the books of AHEL as on the close of business on the day immediately prior to the Appointed Date.

RHPL shall credit its Share Capital Account in its books of account with the aggregate face value of the New Equity Shares issued to the shareholders of AHEL by it in terms of Clause 4.2, and reduce its Share Capital Account to the extent of Equity Shares of RHPL held by AHEL which are reduced and cancelled in terms of Part V of this Scheme.



- (iii) The intangible assets and goodwill transferred or arising as a result of the demerger, if any, shall be amortized in the books of accounts of RHPL in accordance with the Accounting Standards.
- (iv) The surplus or deficit, if any, of the value of the assets over the value of the liabilities of the Demerged Undertaking acquired pursuant to this Scheme by RHPL, shall, after adjusting for the value of the New Equity Shares issued by RHPL to the shareholders of AHEL pursuant to this Scheme, shall be: (a) in case of a surplus, recorded as and credited to the Capital Reserve Account, in the books of RHPL, and (b) in case of a deficit, recorded as and debited to the Goodwill Account in the books of RHPL.



4.4.3 Notwithstanding the above, the Board of Directors of AHEL and/or RHPL, in consultation with its respective statutory auditor(s), is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate and in accordance with the Generally Accepted Accounting Principles (GAAP).



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PART V

5. REDUCTION OF CAPITAL IN RHPL

5.1 Reduction of Capital in RHPL

5.1.1 The Existing Equity Shares of RHPL held by AHEL shall be reduced and cancelled (without payment of any consideration) as an integral part of the Scheme in order to present a true and fair picture of the capital structure, business, assets and financials of RHPL, in particular, the profits/losses in RHPL. The reduction does not involve either a diminution of liability in respect of share capital not paid-up or payment of paid-up share capital of RHPL to any person.

5.1.2 No prejudice will be caused to shareholders and/or creditors of RHPL by the aforesaid reduction of capital. The creditors of RHPL shall not be adversely affected by the proposed reduction of the share capital as there will be no reduction in the amounts payable to any of them, and no payment is involved to any shareholder as well. Further, the reduction of capital would not adversely affect the business or operations of RHPL or its ability to honour its commitments or pay the debts in the ordinary course of business. The Scheme does not in any manner alter, vary or affect the rights of the creditors. The Scheme does not in any manner alter, vary or affect the payment of any dues or outstanding amounts including all or any of the statutory dues payable or outstanding.

5.1.3 The consent of the shareholders and creditors of the RHPL to this Scheme shall be deemed to be their consent under the provisions of Section 66 of the 2013 Act as well. RHPL shall not be required to (i) convene separate meeting to seek approval for cancellation of shares; or (ii) add "And Reduced" as suffix to its name, or (iii) otherwise separately comply with the procedure specified in Section 66 of the 2013 Act, and its compliance with applicable provisions of Sections 230-232 of the 2013 Act shall be deemed as adequate compliance with the procedure specified in Section 66 of the 2013 Act. The Tribunal(s)' sanction for this Scheme shall be deemed to be the Tribunal's approval under Section 66 of the 2013 Act, for reduction and reorganisation of capital by RHPL, as contemplated as an integral part of this Scheme.

5.1.4 Upon this Scheme becoming effective and after the allotment of the New Equity Shares by RHPL in terms of Clause 4.2, and reduction of Equity Shares of RHPL held by AHEL in terms of this Clause 4.4, the issued, subscribed and paid-up capital of RHPL shall be Rs. 17,29,16,960 (Indian rupees seventeen crore twenty-nine lac sixteen thousand nine hundred sixty only) consisting of 17,291,696 fully paid-up New Equity Shares having a face value of Rs. 10 (Indian rupees ten) each.

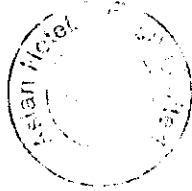
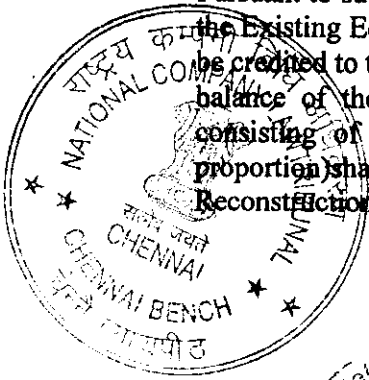
5.2 Accounting Treatment in the books of AHEL

Pursuant to such reduction of capital, the investment amount of Rs. 567,00,00,000 (Indian rupees five hundred sixty-seven crore) as appearing in the books of AHEL under the head 'Investments', being shares held in RHPL, shall stand cancelled, and the same shall be adjusted against the amount lying to the credit of the General Reserve Account of AHEL,

pursuant to which the General Reserve Account of AHEL shall be left with nil balance; and thereafter shall be adjusted against the amount lying to the credit of the Profit And Loss Account of AHEL, to the extent required.

5.3 Accounting Treatment in the books of RHPL

Pursuant to such reduction of capital in RHPL, an amount equivalent to the face value of the Existing Equity Shares (of RHPL held by AHEL) which are being reduced shall first be credited to the Capital Reconstruction Reserve Account of RHPL. Thereafter, the debit balance of the Profit And Loss Account of RHPL to the extent of INR 110 Crore consisting of unabsorbed book losses and unabsorbed book depreciation (in equal proportion) shall be adjusted against the amount lying to the credit of the Capital Reconstruction Reserve Account.



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6. TAXES, MISCELLANEOUS AND GENERAL TERMS AND CONDITIONS

6.1 Upon this Scheme becoming effective, the accounts of AHEL and RHPL, as on the Appointed Date, shall be reconstructed in accordance with the terms of Part III, Part IV, Part V and Part VI of this Scheme. Each of AHEL and RHPL shall be entitled to revise and file their respective income tax returns, wealth tax returns, TDS returns, and other statutory returns, as result of demerger and vesting of the Demerged Undertaking in RHPL.

6.2 Taxes

6.2.1 The provisions of Part IV of this Scheme have been drawn up in compliance with the conditions specified under the tax laws, specifically Section 2(19AA) of IT Act, and other relevant sections of IT Act. If any terms or provisions of Part IV of this Scheme are found or interpreted to be inconsistent with the provisions of the aforesaid section at a later date, including resulting from an amendment of law or for any other reason whatsoever, such provisions shall prevail and this Scheme shall (subject to the provisions of this Scheme, including Clauses 5.1.2, 5.6.6 and 5.6.7), stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect the other parts of this Scheme.

6.2.2 Upon this Scheme becoming effective, the accounts of AHEL and RHPL as on the Appointed Date shall be reconstructed in accordance with this Scheme. AHEL and RHPL shall be entitled to revise and refile their respective income tax returns, TDS returns, and other statutory returns and shall also have the right to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act, 1961, credit of tax deducted at source, credit of foreign taxes paid / withheld, etc., if any, consequent to implementation of this Scheme.

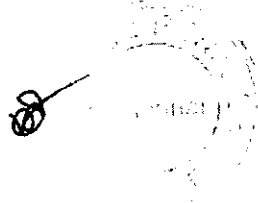
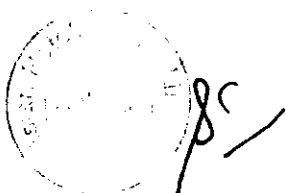
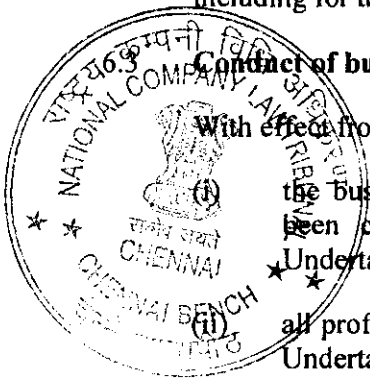
6.2.3 The Appointed Date shall be deemed to be the 'acquisition date' for all purposes, including for the purposes of accounts of AHEL and RHPL.

6.2.4 Conduct of business till Effective Date

With effect from the Appointed Date and up to and including the Effective Date:

the business pertaining to the Demerged Undertaking shall be deemed to have been carried on account of, and the properties and assets of Demerged Undertaking shall be deemed to have been held for and in trust for, RHPL; and

all profits or income arising or accruing to or received in regard to the Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld / paid in a foreign country, value added tax, sales tax, service tax etc.) or losses arising in or incurred in regard to the Demerged



Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of RHPL.

6.4 Alteration of the Memorandum and Articles of Association of RHPL

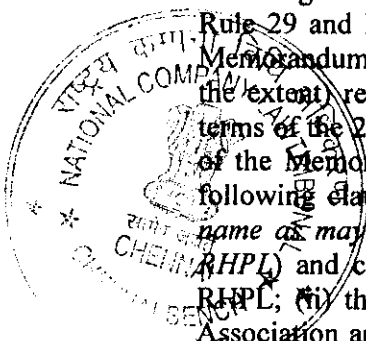
6.4.1 Amendment of Main Objects

Upon this Scheme becoming effective and with effect from Appointed Date, the main objects clause of the Memorandum of Association of RHPL shall be amended to include the following main objects. Accordingly, the Memorandum of Association of RHPL shall stand modified by inclusion of the following additional paragraph in the main objects as paragraph 4 in Clause III(A) of the Memorandum of Association of RHPL after the existing paragraph 3:

"4. To deal with or to act as an investor by the way of acquiring, holding, selling, buying, transferring, subscribing to any shares, bonds, stocks, debentures or any other securities, of any kind, issued by or guaranteed by any government, public body, incorporated entity, authority, state, sovereign, commissioners, trusts, provincial, municipal body, or otherwise, whether in India or elsewhere, or units issued by mutual funds, and to act as guarantors, financiers, underwriters, and to lend money or deal with money, either with or without interest to such individuals, firms, body corporates and institutions and upon such terms and conditions as the Company may see expedient but not amounting to banking business as defined under the Banking Regulations Act, 1949."

6.4.2 Conversion into Public Company

As of the Appointed Date, RHPL / Resulting Company is a 'deemed public company' in terms of the 2013 Act. Upon this Scheme becoming effective, and as an integral part and consequence thereof, RHPL shall stand converted into a 'public company' in terms of the 2013 Act. As the conversion of RHPL into a 'public company' is an integral part and consequence of the Scheme, the consent of shareholders of the RHPL to this Scheme shall be deemed to be their consent for such conversion as required under the 2013 Act, including in terms of Section 13, Section 14 and Section 18 of the 2013 Act read with Rule 29 and Rule 33 of the Companies (Incorporation) Rules, 2014; *provided that* the Memorandum of Association and Articles of Association of RHPL shall be amended (to the extent) required reflect such conversion, including the name clause, as required in terms of the 2013 Act, and accordingly upon the Scheme becoming effective: (i) Clause I of the Memorandum of Association of RHPL shall stand replaced by inclusion of the following clause: *"The name of the Company is Robust Hotel Limited"(or such other name as may be approved by Registrar of Companies, Chennai and be acceptable to RHPL)* and consequent changes shall be carried out in the Articles of Association of RHPL; (ii) the word "Private" appearing in the name of the RHPL in the Articles of Association and Memorandum of Association of the RHPL shall stand deleted; and (iii) provisions in the Articles of Association of RHPL: (a) restricting the right to transfer shares; (b) limiting the number of members to 200 (two hundred);and (c) prohibiting any invitation to the public to subscribe for any securities shall stand deleted. Further,



provisions regarding minimum number of directors and minimum number of shareholders shall stand modified as per applicable law.

6.4.3 Deemed Approval of Shareholders for Amendments

The consent of the shareholders of RHPL to this Scheme shall be sufficient for the purposes of effecting each of the amendments contemplated in this Clause 6.4, and no further resolutions or approval, whether under Sections 13, Section 14, Section 18 of the 2013 Act, any other applicable provisions of the 2013 Act or under the Articles of Association of RHPL, shall be required to be separately passed, nor shall RHPL be required to pay any additional registration fees, stamp duty, etc.

6.5 **Compliance with Tax Laws**

6.5.1 Part IV of this Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under the tax laws, specifically Section 2(19AA) of the Income-tax Act, 1961 and other relevant sections of the Income-tax Act, 1961.

6.5.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the provisions of the tax laws shall prevail. This Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of this Scheme. Notwithstanding the other provisions of this Scheme, but subject to applicable laws, the power to make such amendments/modifications as may become necessary, whether before or after the effectiveness of the Scheme, shall vest with the Board of Directors of RHPL and AHPL, which power shall be exercised reasonably in the best interests of the Scheme Entities and their shareholders, and which power can be exercised at any time.

6.6 **Filing of Applications / Petitions with Tribunal(s)**

6.6.1 The Scheme Entities shall, with all reasonable dispatch, make their respective applications or a joint application to the jurisdictional Tribunals under Sections 230 and 232 read with Section 66 of the 2013 Act and other applicable provisions thereof, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of such classes of their respective shareholders and/or creditors and for sanctioning this Scheme with such modifications, as may be approved by the Tribunal(s).

6.6.2 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of each of the Scheme Entities (wherever required), each of the Scheme Entities shall, with all reasonable dispatch, file respective petitions before the jurisdictional Tribunal(s) for sanction of this Scheme under Sections 230 to 232 of the 2013 Act, and other applicable provisions thereof, and for such other order or orders, as Tribunal(s) may deem fit for sanctioning/giving effect to this Scheme. Upon this Scheme becoming effective, the shareholders of each of the Scheme Entities, shall be deemed to have also accorded their approval under all relevant provisions of the 2013 Act, as applicable, for giving effect to the provisions contained in this Scheme.

6.7 Effectiveness of the Scheme

6.7.1 This Scheme is conditional upon, and shall become effective on the happening of the last of the following (“Effective Date”):

- (i) this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors (if required) of each of the Scheme Entities as required under the 2013 Act;
- (ii) the Scheme being sanctioned by the jurisdictional Tribunal(s) and appropriate orders being passed by the Tribunal(s) pursuant to Sections 230 and 232 of the 2013 Act and other relevant provisions thereof, as applicable; and
- (iii) certified copies of the relevant Orders of the Tribunal(s) being filed with the Registrar of Companies, West Bengal by AHEL, and Registrar of Companies, Chennai by RHPL.

6.7.2 This Scheme shall become effective from the Effective Date, and the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

6.8 Sequence of Events

Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred and become effective and operative on Effective Date, only in the sequence and in the order mentioned hereunder:

- (i) issue and allotment of Bonus Shares by AHEL;
- (ii) amendment to the memorandum and articles of association of RHPL as provided in this Scheme;
- (iii) demerger and vesting of the Demerged Undertaking from AHEL into and with RHPL in accordance with Part IV of this Scheme;
- (iv) issue and allotment of fully paid-up New Equity Shares of RHPL to the shareholders of AHEL as of Record Date in accordance with Part IV of this Scheme; and

reduction and cancellation of Existing Equity Shares of RHPL held by AHEL in accordance with Part V of this Scheme.

6.9 Record Date

After this Scheme is sanctioned but before it becomes effective, the Board of Directors of AHEL shall, in consultation with the Board of Directors of RHPL, determine the record date (“Record Date”) for (i) issuance of Bonus Shares; and (ii) the issuance and allotment of Equity Shares of RHPL to the shareholders of AHEL in terms of the Scheme and the direction of the Tribunal in this regard (if any). On determination of Record Date,

AHEL shall provide to RHPL, the list of its shareholders as on such Record Date, who are entitled to receive the Equity Shares in RHPL in terms of this Scheme in order to enable RHPL to issue and allot such Equity Shares to such shareholders of AHEL.

6.10 Binding Effect

Upon this Scheme becoming effective it shall be binding on the Scheme Entities, their respective shareholders, creditors and all other stakeholders.

6.11 Miscellaneous

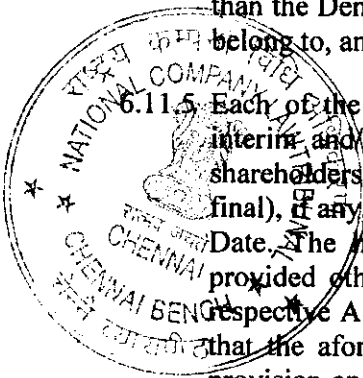
6.11.1 AHEL shall comply with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017, as amended from time to time, while *inter alia* procuring the approval of its public shareholders and shall provide for voting by such public shareholders through postal ballot and e-voting. For the purposes of this Clause 6.11.1, the term 'public' shall have the meaning ascribed to such term under rule 2 of Securities Contracts (Regulation) Rules, 1957. The Scheme is conditional upon being approved by the public shareholders of AHEL through e-voting in terms of Para 9(a) of Part I of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21, dated March 10, 2017 (as amended from time to time) and the Scheme shall be acted upon only if votes cast by the public shareholders of AHEL in favour of the proposal are more than the number of votes cast by the public shareholders of AHEL against it.

6.11.2 As an integral part of the Scheme, all rights and liabilities of the Demerged Company in / to a bid presently submitted by the Demerged Company to Mumbai International Airport Limited shall stand transferred to RHPL.

6.11.3 The transfer of properties and liabilities to, and the continuance of proceedings in terms of the Scheme, including as envisaged in Part IV of this Scheme shall not affect any transaction or proceedings already concluded by any of the Scheme Entities on or before the Appointed Date, and after the Appointed Date till the Effective Date, to the end and intent that RHPL accepts and adopts all acts, deeds and things done and executed by AHEL in respect thereto as done and executed on behalf of itself.

6.11.4 Nothing contained in this Scheme shall affect the business and operations of AHEL other than the Demerged Undertaking, and the residual business(es) of AHEL shall continue to belong to, and be vested in and be managed by, AHEL.

6.11.5 Each of the Scheme Entities shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date. The shareholders of Scheme Entities shall not be entitled to dividend (whether interim and/or final), if any, declared and paid by any of the other Scheme Entities prior to the Effective Date. The holders of the shares of each of the Scheme Entities, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association, including the right to receive dividends. It is clarified that the aforesaid provision in respect of declaration of dividend is only an enabling provision and shall not be deemed to confer any right on any shareholder of any of the Scheme Entities to demand or claim any dividend.

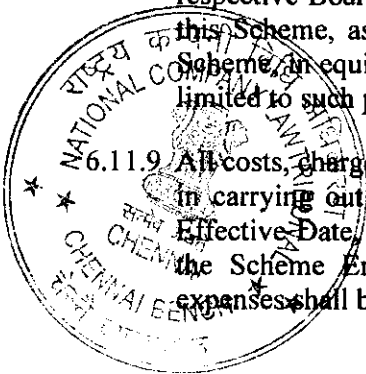


6.11.6 Each of the Scheme Entities (acting through their respective Boards of Directors) may assent to any modifications or amendments to this Scheme, which the Tribunal(s), SEBI, Stock Exchange(s) and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. Each of the Scheme Entities(acting through their respective Boards of Directors), are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the Tribunal(s) or SEBI or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

6.11.7 Notwithstanding anything else to the contrary in this Scheme, the Scheme Entities (acting through their respective Boards of Directors), shall be at liberty to withdraw from this Scheme in case (i) any condition or alteration imposed by the Tribunal(s) or any other authority; or (ii) any deemed modifications to the Scheme resulting from the Scheme (or any part thereof) being or becoming inconsistent with applicable laws (including resulting from an amendment of law or for any other reason whatsoever) is not acceptable to the Scheme Entities; or (iii) prior to the Effective Date, the Scheme Entities (acting through their respective Board of Directors) mutually agree at any time to withdraw the Scheme for any reason.

6.11.8 If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Scheme Entities(acting through their respective Board of Directors), shall attempt to bring about appropriate modifications to this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, in an equitable manner as per the intent and spirit of the Scheme, including but not limited to such part.

6.11.9 All costs, charges and expenses, in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto upto the Effective Date, shall be borne and paid by AHEL (unless mutually agreed otherwise by the Scheme Entities acting through their respective Board of Directors), and such expenses shall be entitled to be amortised in terms of Applicable Laws.



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