Annexure A

Annexure - 'A'

SCHEME OF AMALGAMATION AND DEMERGER

BETWEEN

ZIRCON HOTELS PRIVATE LIMITED AND ITS SHAREHOLDERS AND CREDITORS
(TRANSFEROR COMPANY-1)

AND

ZIRCON HOSPITALITY PRIVATE LIMITED AND ITS SHAREHOLDERS AND CREDITORS
(TRANSFEROR COMPANY-2)

AND

HOTEL SUBA PALACE PRIVATE LIMITED AND ITS SHAREHOLDERS
(TRANSFEROR COMPANY-3/ DEMERGED COMPANY)

AND

HOTEL SUBA STAR PRIVATE LIMITED AND ITS SHAREHOLDERS AND CREDITORS
(TRANSFEREE COMPANY)

Under Section 230 to 232 and other applicable provisions of the Companies Act, 2013

NOTARY

GOVT. OF INDIA

1. PREAMBLE, INTRODUCTION, RATIONALE AND PARTS OF THE SCHEME

1.1 PREAMBLE

This scheme of Amalgamation and Demerger under section 230 to 232 and other applicable provisions of the Companies Act, 2013, for: (1) amalgamation of Zircon Hotels Private Limited and Zircon Hospitality Private Limited with Hotel Saba Star Private Limited, and (2) demerger of the Hotel Saba Star (Saba Hotel Undertaking) (defined hereunder) of Hotel Saba Palace Private Limited ("Demerged Company" or the "Transferor Company-3") vesting in Hotel Saba Star Private Limited in the present form, with or without the modification as may be approved by the NCLT (the "Transferee Company") (hereinafter referred to as the "Scheme").

1.2 INTRODUCTION

1.2.1 ZIRCON HOTELS PRIVATE LIMITED ("Zircon Hotels" or the "Transferor Company-1") is an existing company within the meaning of the Companies Act, 2013, having its registered office at Hotel Saba Star, [illegible], Near [illegible] Tower, [illegible], Ahmedabad, Gujarat, India [illegible]. Zircon Hotels was incorporated on February [illegible]. CIN No. [illegible].

1.2.2 As per the Memorandum of Association of the Transferor Company-1, the main object of the Transferor Company-1 is as under:

Clause A (1) *"To develop Multi Functional Complex (MFC) at [illegible] for carrying out the business of hotels, clubs, restaurants and commercial complex to develop approximately built up area of 2262.00 sq m on approximately [illegible] land to be leased to the company by [illegible] Development Authority ([illegible]) on design build finance operate and transfer model as laid down in the development/lease agreement and other documents to be entered into with [illegible] and to take such actions as may be required for development of the Commercial development project (MFC)."*

The Memorandum of Association also lists the clauses as incidental object of the Transferor Company-1, which is as under:

Clause B (2) *"Subject to the provisions of Sections 391 to 394 of the Companies Act, 1956 to amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interest, cooperation, joint venture or reciprocal rights with any person or persons or company or companies doing or engaged in the main objects of the Company."*

1.2.3. ZIRCON HOSPITALITY PRIVATE LIMITED ("Zircon Hospitality" or the "Transferee Company-2") is an existing company within the meaning of the Companies Act, 2013, having its registered office at Hotel Rohe Star, Judges Bungalow, Near Akash Tower, Bodakdev, Ahmedabad, Gujarat, India 380054. Zircon Hospitality was incorporated on January 24, 2020. (CIN No. [illegible])

1.2.4. As per the Memorandum of Association of the Transferee Company-2, the main object of the Transferee Company-2 is as under:

Clause A (1) "*To develop Multi Use Hotel Complex (MUHC) or Hotels for carrying out the Business of hotels, bars, restaurants and commercial complex to develop approximate built up area of [illegible] sq.m. approximately [illegible] sqm on land plot to be leased to the company by Hotel Land Development Authority (HLDA) on design build finance operate and transfer model as laid down in the development/lease agreement and other documents to be entered into with HLDA and to take all actions as may be required for development of the commercial development project (MUHC).*"

1.2.5. The Memorandum of Association also, inter alia, contains an incidental object of the Transferee Company-2 which is as under:

Clause B (23) "*Subject to the provisions of Sections 391 to 394A of the Companies Act, 1956 to amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal rights with any person or persons or company or companies carrying on or engaged in the main objects of the Company.*"

1.2.6. Zircon Hotels and Zircon Hospitality will be the wholly owned subsidiary of Chalet Hotels Private Limited after approval of the Scheme of Arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013, filed in Mumbai NCLT (file CA (CAA) No. 30/MB.V/2020 and CA (CAA) No. 1131/MB.V/2020) ("Scheme 1").

The Appointed Date of the Scheme 1 is July 1, 2020 and the Board of Directors has approved the Scheme 1 on June 17, 2020 and will become effective on receipt of necessary approvals as mentioned therein.

The Scheme 1 is for demerger of the Investment Undertaking (defined hereunder) of the Hotel Sahar Palace Private Limited ("Sahar Palace" or the "Transferor Company thereof") vesting in Chalet Hotels Private Limited (Transferee Company thereof) in the present form, with or without the modification as may be approved by the NCLT filed in the NCLT Mumbai, Department Section under Demerger Scheme.

i. Investment Undertaking includes investments in shares and other securities of Group Companies having hotels within India but outside Mumbai and granting of loans and advances to such Group Companies; and

ii. Group Companies namely (1) Hotel Suba Star Pvt. Ltd. (2) Oryx Hotel Pvt Ltd; (3) Banyan Hotels Pvt Ltd; and (4) [illegible] Hospitality Pvt Ltd.

1.2.7 HOTEL SUBA PALACE PRIVATE LIMITED ("Suba Palace" or the "Transferee Company 5") is an existing company within the meaning of the Companies Act, 1956 having its registered office at Apollo Bunder, Near Gateway of India, Colaba, Mumbai - 400039, Maharashtra. Suba Palace was incorporated on September 28, [illegible]. CIN No. [illegible]

1.2.8 As per the Memorandum of Association of the Transferee Company 5, the main object of the Transferee Company 5 is as under:

Clause A (1) "Hotels, restaurants, holiday resorts, [illegible], bars, [illegible], cafe, [illegible], refreshment rooms, boarding, lodging, housekeepers and licensed victuallers"

The Memorandum of Association also, inter alia, contains an incidental object of the Transferee Company 5, which is as under:

Clause B (9) "To amalgamate, acquire, merge, demerge, consolidation [illegible], with any other company or companies having objects altogether or in part similar to those of the Company or partially amalgamate, merge, demerge, consolidate, with or acquire interest in the business of any other company, person or firm carrying on or engaged in or about to be engaged in or about to carry on any business or transaction included in the objects of the Company, whether in India or outside, for such purpose that may seem calculated beneficial and conducive to the objects of the Company."

1.2.9 Accordingly, Suba Palace is currently and mainly engaged in [illegible] activities namely:

(a) Hotel Suba [illegible] situated at [illegible], Fatehganj, 390002 Vadodara, India ("Baroda Hotel Undertaking");

(b) Hotel Suba Palace, Hotel Suba Galaxy and Hotel Suba International all situated within Mumbai City and Suburban ("Mumbai Hotels Undertakings"); and

(c) Holding overseas direct investment into Suba Holdings Pte Ltd, Singapore.

1.2.10 HOTEL SUBA STAR PRIVATE LIMITED (the "Suba Star" or "Transferee Company") is a company incorporated under the Companies Act, 2013, having its registered office at Hotel Suba Star, Judges Bungalow, Near Akash Tower, Bodakdev, Ahmedabad, Gujarat, India 380015. Suba Star was incorporated on October 23, [illegible]. No. CIN [illegible]

1.2.11 As per the Memorandum of Association of the Transferee Company, the main object of the Transferee is as under:

Clause A (1): *"To carry on the business of Caterers, Food Suppliers, Hotel keepers, Resorts, health resorts, fitness clubs, swimming pool, gymnasiums, stables, lodging house and Restaurant keepers, Cafe, Tavern, refreshment room keepers, licensed victualler, spirit merchants, brewers, maltsters, distillers, purveyors, manufacturers and dealers in aerated waters, coffees, chocolates and biscuits of all kinds and the business of bakers and ice manufacturers."*

Clause A (2): *"To carry on business of hotel, restaurant, tavern and to purchase, erect or otherwise acquire, act as collaborators, establish the business of hotel and to provide lodging and boarding, eating house and provide facilities to tourists, pilgrims whether Indian or foreign in holy places, pilgrim centres, tourist centres to build, to establish and to encourage and carry on and facilitate such trade in India or abroad."*

1.2.12. The Memorandum of Association also, inter alia, contains an incidental object of the Transferee Company, which is as under:

Clause B (5): "To acquire and take over as a going concern by purchase of or on lease and to undertake, to carry on the whole or any part of the business together with goodwill and trade name, property rights and liabilities of any person or persons, firm or any company carrying on any business, which is within the objects of the company of which the Company is authorized to carry on and to pay for the same by shares, debentures, debenture stock bonds, cash or otherwise and to conduct and carry on or liquidate and wind up any such business."

Clause B (20): "To amalgamate with any other company or body of persons having similar objects."

1.2.13. It would be advantageous to combine the activities and operations of the two companies namely Zircon Hotels and Zircon Hospitality with Transferee Company for synergistic linkages and the benefit of combined financial resources.

1.2.14. Each of the Undertaking carried out by Saha Palace is distinct and diverse in its business characteristics, growth trajectories, risk profiles and require entirely different approaches. With the end and intent of realigning the business operations undertaken by Saha Palace, it is proposed to transfer and vest the Baroda Hotel Undertaking in the Transferee Company through the Scheme (as defined below), resulting in Saha Palace (Residual) (as defined below) engaged purely in the management and development of the Mumbai Hotels Undertaking and attract overseas direct investment outside of India.

1.2.15. After the regulatory approval of Scheme 1 filed in NCLT Mumbai, Transferor Company 1 and 2 will also become wholly owned subsidiary of Chik Hotels Private Limited.

1.2.16. Rationale

This Scheme involves amalgamation of Transferor Company-1 and Transferor Company-2 with the Transferee Company and demerger of the entire Demerged Undertaking from Transferor Company-3 into the Transferee Company. The objective of this Scheme is to reduce the number of entities and consolidate and streamline the operations and management on the basis of location and segment of operations thereby leading to economies of scale and enhancement of value for all the companies, their respective shareholders and stakeholders.

The rationale of the Scheme is set out below:

1. Transferee Company, Transferor Company-1 and Transferor Company-2 have essentially same business model, operate in same segment and have similar strategies. This Scheme will result in simplified management structure after the amalgamation of Transferor Company-1 and Transferor Company-2 with the Transferee Company, leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication, reduction in multiplicity of legal and regulatory compliances and rationalization of administrative expenses. The proposed amalgamation will result in greater integration and financial strength for the amalgamated entity, which would result in maximizing overall shareholders value. Amalgamation will provide easier sources of funds for rapid growth of the amalgamated entity.

2. The transfer and vesting of the Demerged Undertaking (as defined below) to the Transferee Company shall be in the larger interest of the shareholders, creditors and employees of the Transferor Company-3 and shall be in the interest of future growth of the Transferee Company. The demerger and vesting shall achieve the following benefits for the Transferor Company-3 and the Transferee Company:

   (i) the demerger will enable Asia Palace to focus on the Mumbai Hotels Undertaking and manage hotel properties in Mumbai and Location(s) Outside India, catering to rich luxury premium and top end segment;

   (ii) the demerger will enable the better and more efficient management, control and running of the Baroda Hotel Undertaking as it consists of hotel situated in Gujarat and caters to economy segment. Business model of Baroda Hotel undertaking is aligned to Transferee company as both Baroda Hotel undertaking and Transferee company's are currently operational and located in Gujarat.

(c) the demerger is in the interest of shareholders of Transferor Company 3 and will enable both Transferor Company 3 and the Transferee Company to achieve and fulfill their objectives more efficiently and offer opportunities to the management of both the companies to vigorously pursue growth and expansion opportunities as both business activities require different strategy, management approaches and focus. Moreover, the competitive dynamics of these business activities are different;

(d) Thus separation of Baroda Hotel Undertaking, by way of scheme, would lead to significant benefits for both business activities including: (a) enhanced strategic flexibility and (b) enhanced dedicated management focus to accelerate growth of both business activities; and

(e) the demerger will enable potential investors to separately hold investments on the basis of location and segment of operation which best suit their investment strategies and risk profiles and the demerger will provide varied source of funds for the rapid growth of both business activities.

3. The Board of Directors (as defined below), after detailed deliberation have approved this Scheme in their meeting held on [illegible] April [illegible]; and

4. This Scheme is depending on the relevant circumstances, shall effect in the sequence as provided herein after.

[illegible] Parts of the Scheme

This Scheme is divided into the following parts:

Part I of the Scheme deals with the Definitions and interpretations.

Part II of the Scheme deals with the Capital Structure of the Transferor Company-1, Transferor Company-2, and Transferor Company-3 and Transferee Company.

Part III of the Scheme deals amalgamation of two companies namely [illegible] and [illegible] with Transferee Company with the Consideration and Accounting Treatment.

Part IV of the Scheme deals with the demerger, transfer and vesting of the Demerged Undertaking of Transferor Company-3 to the Transferee Company with the Consideration and Accounting Treatment.

Part IV of the Scheme deals with the General Terms and Conditions.

The Amalgamation and Demerger under this Scheme will be effective under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013. The Amalgamation of the Zircon Hotels and Zircon Hospitality with Transferee Company shall be in compliance with the Section 2(1B) of the Income Tax Act, 1961.

The demerger of the Baroda Hotel Undertaking of Transferor Company 3 along with the Transferee Company shall be in compliance with the Section 2(19AA) of the Income Tax Act, 1961, respectively.

PART-I

DEFINITIONS AND INTERPRETATION

DEFINITIONS

In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:

"**Act**" means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof.

"**Appointed Date**" means [illegible] October [illegible] or such other dates as may be agreed by the Board of Directors of Transferor Company-1, Transferor Company-2, Transferor Company-3 and Transferee Company or as the Hon'ble NCLT may direct/approve, being the date with effect from which this Scheme shall become operative and/or be deemed to have become operative. It is clarified that the Board may declare different Appointment Dates for different parts of the Scheme.

"**Amalgamation Record Date**" has the meaning as assigned to it in Clause [illegible];

"**Board**" or means the board of directors of such Party, as the case may be and shall include a committee of directors or any person authorized by such Party or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

"**[illegible] Hotel Undertaking**" has the meaning assigned to it in Clause [illegible] hereof.

"**Demerger Record Date**" has the meaning as assigned to it in Clause [illegible];

"**Demerged Undertaking**" means the [illegible] Hotel Undertaking of [illegible], on a going concern basis as on the Appointed Date. Without prejudice and limitation to the generality of the above, the Demerged Undertaking shall mean and include:

(a) All assets wherever situated, tangible or intangible, including all current assets, deposits including accrued interest, loans and advances (including without limitation Hotel [illegible] and loans and advances specifically attached to the hotel with Hotel [illegible]) together with all present and future liabilities (including contingent liabilities) appertaining or relatable thereto;

(b) any and all leases, permits, rights, entitlements, allotments, approvals, consents, concessions, exemptions, liberties, advantages, no objection certificates, certifications, registrations, trade names, trademarks, service marks, copyrights, domain names, intellectual property, goodwill, licenses, tenancies, offices, sales tax credits, income tax credits, privileges and benefits of all contracts, agreements, and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever pertaining to the Baroda Hotel Undertaking;

(c) any and all earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to the Baroda Hotel Undertaking;

(d) all such permanent employees of Saba Palace on the Appointed Date as are engaged exclusively in or in relation to the Baroda Hotel Undertaking; and

(e) any and all debts, borrowings, guarantees, assurances, commitments, obligations and liabilities, whether fixed, contingent or absolute, asserted or unasserted, present or future, whether secured or unsecured, of the Saba Palace in relation to the Baroda Hotel Undertaking as on the Appointed Date comprising of:

i) all the debts, duties, obligations and liabilities, including contingent liabilities, which arise out of the activities or operations of the Transferor Company in relation to the Baroda Hotel Undertaking and all other debts, liabilities, duties, and obligations of the Saba Palace relating to the Demerged Undertaking, which may accrue or arise after the Appointed Date but which relate to the period up to the day of immediately preceding the Appointed Date;

ii) the specific loans and borrowings raised, incurred and utilized solely for the activities and operations of Saba Palace in relation to the Demerged Undertaking; and

iii) liabilities other than those referred to in sub-clauses (i) and (ii) above and not directly relatable to the Demerged Undertaking, being the amounts of any general or multipurpose borrowings of Transferor Company (as stand in the same proportion which the value of assets transferred under this Clause of Baroda Hotel Undertaking bears to the total value of the assets of the Saba Palace immediately before the Appointed Date.

(f) All books, records, files, papers, computer programs along with their licenses and other records whether in physical or electronic form, in connection with or relating to the Demerged Undertaking of the Saba Palace as on the Appointed Date.

Any question that may arise as to whether a specific asset (tangible or intangible) or any liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking or not, shall be decided by the Board of the Soho Palace or any committee thereof.

"Effective Date" means the date on which the last of the events specified in Clause 3.3 of Part V of the Scheme has occurred and the Scheme made effective with effect from the Appointed Date.

"Encumbrance" means any: (i) charge, lien (statutory or other), or mortgage, any easement, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (ii) pre-emptive right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, Transfer, receipt of income or exercise; or (iii) any equity, assignment, hypothecation, title retention, restriction, power of sale or other type of preferential arrangement or (iv) any agreement to create any of the above and the term "Encumbrance shall be construed accordingly.

"Mumbai Hotels Undertaking" has the meaning assigned to it in Clause 1.2.2(b) hereof.

"NCLT" means the National Company Law Tribunal constituted by the Central Government under Section 408 of the Act having jurisdiction in relation to Transferor Company-1, Transferor Company-2, Transferor Company-3 and the Transferee Company.

"Parties" means collectively the Transferor Company-1, Transferor Company-2, Transferor Company-3 and the Transferee Company and "Party" means each of them, individually.

"Scheme" or "this Scheme" or "the Scheme" has the meaning as assigned to it in Clause 1.1 hereof.

"Scheme 1" means the CP (CAA) No. 38/MB.V/2021 and CA (CAA) No. 1131/MB.V/2020, filed in NCLT Mumbai, which is also referred in Clause 1.2.6.

"Transferee Company" has the meaning assigned to it in Clause 1.2.10 above.

"Transferor Company-1" or "Zircon Hotels" has the meaning assigned to it in Clause 1.2.1 above.

"Transferor Company-2" or "Zircon Hospitality" has the meaning assigned to it in Clause 1.2.5 above.

"Transferor Company-3" or "Soho Palace" has the meaning assigned to it in Clause 1.2.7 above.

INTERPRETATION

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Income Tax Act, 1961 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

In this Scheme, unless the context otherwise requires:

(i) the words "including" and "include" or inclusion shall be interpreted in a manner as though the words");

(ii) 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;

(iii) the words "other", "or otherwise" and "whatsoever" shall not be construed ejusdem generis or be construed as any limitation upon generality of any preceding words or matters specifically referred to;

(iv) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;

(v) the term "Clause" or "Sub-Clause" refers to the specified clause of this Scheme, as the case may be;

(vi) references to any legislation, statute, regulation, rule, notification or any other provision of law means and includes reference to such legal provision as amended, supplemented or re-enacted from time to time under such legislation or statute and regulations, rules, notifications or circulars issued under such legislation or statute;

(vii) Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date;

(viii) words in the singular shall include the plural and vice versa.

PART-II

5. CAPITAL STRUCTURE

5.1. <u>The capital structure of Transferor Company-1, as on 31st October [illegible], is as under:</u>

A. Authorised Share Capital	Amount in Rs.
4,50,000 Equity Share of Rs. 10/- each	45,00,000
B. Issued Subscribed and paid up Share Capital	Amount in Rs.
3,67,500 Equity Share of Rs. 10/- each	36,75,000

The shareholding structure of Transferor Company-1 is attached herewith as Annexure "A" hereto.

5.2. <u>The capital structure of Transferor Company-2, as on 31st October [illegible], is as under:</u>

A. Authorised Share Capital	Amount in Rs.
3,00,000 Equity Share of Rs. 10/- each	30,00,000
B. Issued Subscribed and paid up Share Capital	Amount in Rs.
2,10,000 Equity Share of Rs. 10/- each	21,00,000

The shareholding structure of Transferor Company-2 is attached herewith as Annexure "B" hereto.

5.3. <u>The capital structure of Transferor Company-3, as on 31st October [illegible], is as under:</u>

A. Authorised Share Capital	Amount in Rs.
[illegible] Equity Share of Rs. 10/- each	[illegible]
B. Issued Subscribed and paid up Share Capital	Amount in Rs.
[illegible] Equity Share of Rs. 10/- each	[illegible]

The shareholding structure of Transferor Company-3 is attached herewith as Annexure "C" hereto.

3.4. The capital structure of the Transferee Company as on 31st October [illegible] is as under:

A. Authorised Share Capital — Amount in Rs.

22,50,000 Equity Shares of Rs 10/- each — 2,25,00,000

B. Issued Subscribed and paid up Share Capital — Amount in Rs.

22,29,500 Equity Shares of Rs 10/- each — 22295000

The shareholding structure of Transferee Company is attached herewith as Annexure "[illegible]" hereto.

4.1 Date of taking effect and operative Date

Each Section of the Scheme set out herein in its present form or with any modification(s) in accordance with Clause 8.4 of the Scheme shall, unless otherwise specified, be effective from the Appointed Date but operative from the Effective Date.

PART-III

8. AMALGAMATION OF THE TRANSFEROR COMPANY-1 AND TRANSFEROR COMPANY-2 WITH THE TRANSFEREE COMPANY AND OTHER RELATED MATTERS

8.1 With effect from the Appointed Date, and subject to the provisions of this Scheme and pursuant to Section 232 of the Act, the Transferor Company-1 and Transferor Company-2 shall stand amalgamated with the Transferee Company as a going concern and all assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. of the Transferor Company-1 and Transferor Company-2 shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date the assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.

8.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:

8.2.1 with respect to the assets of the Transferor Company-1 and Transferor Company-2 that are movable in nature, including furniture and fixtures, or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and / or delivery, the same may be so transferred by the Transferor Company-1 and Transferor Company-2 by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date.

8.2.2 Subject to Clause 8.2.3 below, with respect to the assets of the Transferor Company-1 and Transferor Company-2, other than those referred to in Clause 8.2.1 above, including all intangible assets, rights, title and interests in the agreements, investments in shares of any body corporate, fixed deposits, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, cash and bank balances, security deposits and deposits, if any, with Government, semi Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Transferor Company-1 and Transferor Company-2, shall, without any further act, instrument or deed, be transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of Transferee Company.

Any document of title pertaining to the assets of Transferor Company-1 and Transferor Company-2, shall also be deemed to have been recorded as titles of Transferee Company to the same extent and manner as originally held by Transferor Company-1 and Transferor Company-2 to the end and intent that all the ownership, rights, title and interest so vesting in the Transferee Company will be such as if Transferee Company was originally held by Transferor Company-1 and Transferor Company-2. Transferee Company shall be entitled to the delivery and possession of all the documents of title including all related documents of all such movable assets of Transferor Company-1 and Transferor Company-2.

3.2.3 without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company-1 and Transferor Company-2, whether freehold or leasehold shall stand transferred to and be vested in the Transferee Company upon registration of the order with the concerned Sub-Registrar of Assurances, as successor to the Transferor Company-1 and Transferor Company-2, without any act or deed to be done or executed by the Transferor Company-1 and Transferor Company-2, as the case may be and/ or the Transferee Company;

3.2.4 all debts, liabilities, duties and obligations (debentures, commercial paper, bonds, notes or other debt securities, loan raised and utilised) whether or not provided in the books of the Transferor Company-1 and Transferor Company-2 shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company-1 and Transferor Company-2, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 3;

3.2.5 all the brands and trademarks (including logo and right to use the trademarks) of the Transferor Company-1 and Transferor Company-2 including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial and intellectual property rights of whatsoever nature shall be transferred to the Transferee Company. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and/ or registered in the name of the Transferee Company.

7.26 the vesting of the entire undertaking of the Transferor Company-1 and Transferor Company-2, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof and no such Encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Any reference in any security documents or arrangements (to which Transferor Company-1 and Transferor Company-2 is a party) related to any assets of Transferor Company-1 and Transferor Company-2 shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of / to be availed of by it, and the Encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested.

7.27 on and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company-1 and Transferor Company-2 has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company-1 and Transferor Company-2 in the name of the Transferor Company-1 and Transferor Company-2 and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company-1 and Transferor Company-2 after the Effective Date shall be accepted by the bankers of the Transferor Company-1 and Transferor Company-2 and credited to the account of the Transferee Company, if presented by the Transferee Company; and without prejudice to the foregoing provisions of Clause 8, the Transferor Company-1 and Transferor Company-2 and / or the Transferee Company shall be entitled to apply to the appropriate authorities as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require and execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and / or modification(s) of charge, with the concerned ROC or filing of necessary applications, notices, intimations or letters with any authority or Person, to give effect to the above provisions.

5.7 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) and other relevant provisions of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.

5.8 EMPLOYEES, STAFF AND WORKMEN

5.8.1 On the Scheme becoming effective, all employees of the Transferor Company-1 and Transferor Company-2 as on the Effective Date shall be deemed to have become employees of the Transferee Company without any break in their service and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company-1 and Transferor Company-2 on the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Company-1 and Transferor Company-2 with any union/employee of the Transferor Company-1 and Transferor Company-2 recognized by the Transferor Company-1 and Transferor Company-2. It is hereby clarified that the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which the employees of the Transferor Company-1 and Transferor Company-2 are members shall be transferred to such provident fund, gratuity fund and superannuation fund of the Transferee Company or to be established and caused to be recognized by the appropriate authorities, by the Transferee Company. It is clarified that the services of the employees of the Transferor Company-1 and Transferor Company-2 will be treated as having been continuous, uninterrupted and taken into account for the purpose of the said fund or funds.

5.8.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees of the Transferor Company-1 and Transferor Company-2 would continue to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company-1 and Transferor Company-2.

5.8.3 Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to applicable laws, shall be entitled to create separate funds within the Transferee Company for the erstwhile benefit of the Transferor Company-1 and Transferor Company-2.

5.9 LEGAL PROCEEDINGS

NOTARY
GOVERNMENT OF INDIA

3.5.1 Any suit, petition, appeal or other proceeding of whatsoever nature and any orders of court, judicial or quasi-judicial tribunal or other governmental authorities enforceable by or against the Transferor Company-1 and Transferor Company-2 (including without limitation any restraining orders (including order under section 281B of the Income-tax Act, 1961) pending before any court, judicial or quasi-judicial tribunal or any other forum, relating to the Transferor Company-1 and Transferor Company-2, whether by or against the Transferor Company-1 and Transferor Company-2, pending as on the Effective Date, shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company-1 and Transferor Company-2 or of any order of or direction passed or issued in the amalgamation proceedings or anything contained in this Scheme, but by virtue of the order sanctioning the Scheme, such legal proceedings shall be continued and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Transferor Company-1 or Transferor Company-2, as if this Scheme had not been implemented.

3.5.2 After the approval of the Scheme by the Parties and until the Effective Date, the Transferor Company-1 and Transferor Company-2 shall defend all legal proceedings, other than in the ordinary course of business, with the advice and instructions of the Transferee Company. The transfer and vesting of the assets and liabilities under the Scheme and the continuance of the proceedings by or against the Transferee Company shall not affect any transaction or proceeding already completed by the Transferor Company-1 and Transferor Company-2 between the Appointed Date and the Effective Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company-1 and Transferor Company-2 as acts, deeds and things done and executed by and on behalf of the Transferee Company.

3.6 PERMITS

With effect from the Appointed Date, all the licenses/permits/approvals held or availed of by, and all rights and benefits that have accrued to, the Transferor Company-1 and Transferor Company-2, pursuant to the provisions of Section 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Appointed Date, the licenses/permits/approvals, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/ or perfected, in the record of the appropriate authority, in favour of the Transferee Company, the Transferee Company is authorised to carry on business in the name and style of the Transferor Company-1 and Transferor Company-2, and under the relevant license and/ or permit and/ or approval, as the case may be, and the Transferee Company shall keep a record and/ or account of such transactions.

3.7 CONTRACTS, DEEDS, ETC.

17.1 All contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company-1 and Transferor Company-2, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company-1 and Transferor Company-2, or to the benefit of which the Transferor Company-1 and Transferor Company-2 may be eligible and which are subsisting or having effect immediately before this Scheme coming into effect, shall by endorsement, delivery or recordal or by operation of law pursuant to the order of the NCLT sanctioning the Scheme, and on this Scheme becoming effective be deemed to be contracts, deeds, bonds, agreements, indemnities, guarantees or other similar rights or entitlements whatsoever, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) of the Transferee Company. It is clarified that all conditions, stipulations, pre-requisites, terms laid down under any Governmental, statutory or regulatory bodies fulfilled by the Transferor Company-1 and Transferor Company-2 prior to the Effective Date, shall be deemed to have been fulfilled and complied with by the Transferee Company, post the Effectiveness of the Scheme. The Transferee Company shall be entitled to the benefit of all qualification criteria, track-record, experience, goodwill and all other rights, claims and powers of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company-1 and Transferor Company-2 for all intents and purposes for its business. Such properties and rights described hereinabove shall stand vested in the Transferee Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Transferee Company. Such contracts and properties described above shall continue to be in full force and effect in favour of or against the Transferee Company and shall be the legal and enforceable rights and interests of the Transferee Company, which can be enforced and acted upon as fully and effectively as if it were the Transferor Company-1 and Transferor Company-2.

17.2 Upon this Scheme becoming effective, the rights, benefits, privileges, claims, liabilities, obligations and interest whatsoever, arising from or pertaining to contracts and properties shall be deemed to have been entered into and stand assigned, vested and novated to the Transferee Company by operation of law and the Transferee Company shall be deemed to be the Transferor Company-1 and Transferor Company-2's substituted party or beneficiary or obligee thereto. It being always understood that the Transferee Company shall be the successor in the interest of the Transferor Company-1 and Transferor Company-2. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company, shall be fulfilled by the Transferee Company as if it were the duly constituted attorney of the Transferor Company-1 and Transferor Company-2.

17.3 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company-1 and Transferor Company-2 is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf and in the name of the Transferor Company-1 and Transferor Company-2 and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company-1 and Transferor Company-2.

17.4 Without prejudice to the provisions of this Scheme, with effect from the Appointed Date, all inter-party transactions between the Transferor Company-1 and Transferor Company-2 and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date. Any taxes (including tax deducted at source or dividend distribution tax) paid in relation to such transaction shall, to the extent permissible by applicable laws, be claimed as a refund.

17.5 The Transferee Company shall be entitled to the benefit of all insurance policies which have been issued in respect of the Transferor Company-1 and Transferor Company-2 and the name of the Transferee Company shall be substituted as "Insured" in the policies as if the Transferee Company was initially a party thereto.

17.6 Any inter-se contracts between the Transferor Company-1 and Transferor Company-2 on the one hand and the Transferee Company on the other hand shall cease to operate upon the coming into effect of this Scheme.

18 TAXES/ DUTIES/ CESS ETC.

18.1 The unutilized credits relating to excise duties, value tax, service tax, VAT, GST or any other Taxes by whatever name called as applicable, which remain unutilized in the electronic ledger of the Transferor Company-1 and Transferor Company-2 shall be transferred to and vest in the Transferee Company, including for the period between Appointment Date and Effective Date. Thereafter the unutilized and accumulated credit shall be credited in the electronic credit ledger of the Transferee Company and the input and capital goods shall be duly adjusted by the Transferee Company in its books of accounts including for the period between Appointment Date and Effective Date.

18.2 Taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, dividend distribution tax, goods and service tax, minimum alternative tax, wealth tax, if any, paid by the Transferor Company-1 and Transferor Company-2 shall be treated as paid by the Transferee Company and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable notwithstanding that challans or records may be in the name of Transferor Company-1 and Transferor Company-2. Minimum Alternate Tax credit available to the Transferor Company-1 and Transferor Company-2 under the Income Tax Act, 1961, if any, shall vest in and be available to the Transferee Company including for the period between Appointment Date and Effective Date.

18.3 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc. under Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws, GST laws, any incentive scheme, tax holiday, concessions or policies or any other applicable laws/regulations dealing with taxes/ duties/ levies due to Transferor Company-1 and Transferor Company-2 shall stand vested in the Transferee Company upon this Scheme becoming effective including for the period between Appointment Date and Effective Date.

18.4 All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company-1 and Transferor Company-2 pending and/or arising shall be continued and/or enforced until the Effective Date by the Transferor Company-1 and Transferor Company-2. In the event of the Transferor Company-1 and Transferor Company-2 failing to continue or enforce any proceeding/appeal, the same may be continued or enforced by the Transferee Company, at the cost of the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company-1 and Transferor Company-2.

18.5 Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company-1 and Transferor Company-2 with the Transferee Company or anything contained in the Scheme.

19 CONSIDERATION

19.1 Upon this Scheme becoming Effective, the Board of Directors of Transferee Company shall determine the record date ("Amalgamation Record Date"), which shall be later than the Effective Date, for issue and allotment of fully paid up equity shares by the Transferee Company to the shareholders of the Transferor Company-1 and Transferor Company-2 in accordance with this Clause and on determination of the Amalgamation Record Date, Transferor Company-1 and Transferor-2 shall provide to the Transferee Company, the list of shareholders of Transferor Company-1 and Transferor Company-2 as on the Amalgamation Record Date, who are entitled to the issue and allotment of the fully paid-up equity shares in terms of this Scheme, to enable the Transferee Company to issue and allot fully paid-up equity shares in terms of this Scheme.

(a) Upon determination of the Amalgamation Record Date, the Transferee Company shall, in consideration of the transfer of the Transferor Company-1, without further application, issue and allot to the equity shareholders of Transferor Company-1 as on the Amalgamation Record Date, 100 (one hundred) equity share of face value of Rs. 10/- (credited as fully paid up) of the Transferee Company for every 119 (one hundred and nineteen) fully paid-up equity shares of Rs. 10/- each held by them in Transferor Company-1 as on the Amalgamation Record Date ("Share Swap Ratio-1"). Mr. Sachin Chhadawa, an Independent Registered Valuer, was appointed to determine the Share Swap Ratio-1. The report dated 29th March, 2020 issued by Mr. Sachin Chhadawa on the Share Swap Ratio-1 has been duly considered by the Board of Directors of the Transferee Company.

5.11.2 Similarly, upon determination of the Amalgamation Record Date, the Transferee Company shall, in consideration of the transfer of the Transferor Company-2, without further application, issue and allot to the equity shareholders of Transferor Company-2 as on the Amalgamation Record Date, 100 (one hundred) equity share of face value of Rs. 10/- (credited as fully paid up) of the Transferee Company for every [illegible] fully paid-up equity shares of Rs. 10/- each held by them in Transferor Company-2 as on the Record Date ("Share Swap Ratio-2"). Mr. Sachin Chhadawa, an Independent Registered Valuer, was appointed to determine the Share Swap Ratio-2. The report dated 29th March, 2020 issued by Mr. Sachin Chhadawa on the Share Swap Ratio-2 has been duly considered by the Board of Directors of the Transferee Company.

5.11.3 All equity shares in the Transferee Company to be issued to the shareholders of Transferor Company-1 and Transferor Company-2 pursuant to this Scheme shall rank pari passu in all respects to the existing equity shares of the Transferee Company. No fractional shares shall be issued in this connection but in lieu of such fractional shares the number of shares to be issued shall be rounded to the nearest whole share.

5.12 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

5.12.1 Upon the Scheme becoming effective, from the Appointed date, the Transferee Company shall account for the amalgamation in accordance with "the Pooling of Interest Method" as laid down in Accounting Standard 14, Accounting of Amalgamations, specified by the Companies (Accounting Standards) Rules, 2006, notified by central government.

3.10.2 The Transferee Company, shall upon the Scheme coming into effect, record the assets and liabilities, including but not limited to Goodwill/Intangible assets, if any, of Transferor Company 1 and Transferor Company 2, as on the Appointed date, as vested in it pursuant to the Scheme, at the respective carrying value as appearing in the consolidated financial statements of the Transferee Company. Provided the Transferee Company shall record the value of the assets and the liabilities of the Transferor Company 1 and Transferor Company 2 at a value different from the value appearing in the books of accounts of the Transferor company 1 and Transferor company 2, as on the Appointed Date, to comply with the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015, if applicable. Transferee company may make adjustments that are made are to harmonize the accounting policies.

3.10.3 The balance of Retained Earnings as appearing into the financial statements of the Transferor Company-1 and Transferor Company-2 shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company. Alternatively, it may be transferred to General Reserve, if any.

3.10.4 The identity of the other reserves as appearing into the financial statements of the of Transferor Company-1 and Transferor Company-2 shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company-1 and Transferor Company-2.

3.10.5 Pursuant to amalgamation of Transferor Company-1 and Transferor Company-2 into Transferee Company, inter-company balances between the Transferor Company-1 and Transferor Company-2 and Transferee Company shall stand cancelled.

3.10.6 Excess, if any, of the consideration and aggregate value of net assets recorded as per clause 3.10.2 shall be recorded as goodwill and shortfall, as the case may be, adjusted in the capital reserve account.

3.10.7 In case of any difference in accounting policies between the Transferor Company-1 and Transferor Company-2 and the Transferee Company, the accounting policies of the Transferee Company will prevail and the difference shall be quantified and adjusted in the reserves of the Transferee Company.

3.10.8 All costs and expenses incurred in connection with the Scheme and its part of its operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the Profit & Loss of the Transferee Company.

3.11 CONDUCT OF BUSINESS FROM APPOINTED DATE UPTO THE EFFECTIVE DATE

3.11.1 The Transferor Company 1 and Transferor Company 2 with effect from the Appointed Date and up to the Effective Date:

(a) shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Transferee Company;

(b) all profits or income arising or accruing to the Transferor Company-1 and Transferor Company-2 and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, goods and service tax, dividend distribution tax, securities transaction tax, taxes withheld/paid in a foreign country, etc.) or losses arising or incurred by the Transferor Company-1 and Transferor Company-2 shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company; and

(c) all loans raised and all liabilities and obligations incurred by the Transferor Company-1 and Transferor Company-2 after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the undertaking of the Transferor Company-1 and Transferor Company-2 shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Transferee Company.

5.11.2 From the Effective Date, the Transferee Company shall carry on and shall be entitled to carry on the business of the Transferor Company-1 and Transferor Company-2.

5.11.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the appropriate Authority and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require, to carry on the business of the Transferor Company-1 and Transferor Company-2 and to give effect to the Scheme.

5.11.4 The Transferee Company shall be entitled to claim the tax paid including credit of the tax deducted at source and input tax credit under the GST law in relation to the Transferor Company-1 and Transferor Company-2, for the period between the Appointed Date and the Effective Date.

3.11.3 For the purpose of giving effect to the amalgamation order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Authority, the Transferee Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recorded of the change in the legal right(s) upon the amalgamation of the Transferor Company-1 and Transferor Company-2, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company shall be entitled to amend returns pursuant to the Orders that relevant refund, benefits, incentives, grants subsidies etc. to be paid or made good or held on account of the Transferee Company to the concern persons/authority. In addition, the Transferee Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

3.12 SAVING OF CONCLUDED TRANSACTIONS

The vesting of the undertaking of the Transferor Company-1 and Transferor Company-2 as above and the continuance of proceedings by or against the Transferor Company-1 and Transferor Company-2 shall not affect any transactions or proceedings already concluded on or after the Appointed Date till the Effective Date in accordance with this Scheme, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company-1 and Transferor Company-2 in respect thereto as done and executed on behalf of the Transferee Company.

3.13 COMBINATION OF AUTHORISED SHARE CAPITAL

3.13.1 Upon the Scheme becoming effective, the authorized share capital of the Transferor Company-1 and Transferor Company-2 will get amalgamated with that of the Transferee Company without payment of any additional fees and duties as the said fees have already been paid. The authorized share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Registrar of Companies and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act. Further, the authorised share capital of the Transferor Company-1 and Transferor Company-2 as mentioned in Part IV, shall also be combined with the authorised share capital of the Transferee Company.

3.13.2 The existing capital Clause V contained in the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and 64 of the Act and Section 232 and other applicable provisions of the Act, after transfer of the Transferor Company-1, Transferor Company-2 and Demerged Undertaking is set out below in Clause 4.9.1

3.17 It is clarified that the approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall also be deemed to be approvals under sections 13, 61, 64 of the Companies Act, 2013, and other applicable provisions of the Act and any other consents and approvals required in this regard to give effect to the increase in authorised share capital. The filing of the certified copy of this Scheme as sanctioned by the NCLT, in terms of Section 230 to 232 of the Act and any other applicable provisions of the Act, together with the order of the NCLT and a printed copy of the Memorandum of Association for the purposes of the applicable provisions of the Act and the RoC shall register the same and make the necessary alterations in the Memorandum of Association of the Transferee Company accordingly and shall certify the registration thereof in accordance with the applicable provisions of the Act.

3.18 VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect this Scheme, the resolutions/ power of attorney of/ executed by the Transferor Company-1 and Transferor Company-2, as are considered necessary by the Board of the Transferor Company-1 and Transferor Company-2, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting, and be considered as resolutions and power of attorney passed/ executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

3.19 DISSOLUTION OF THE TRANSFEROR COMPANY-1 AND TRANSFEROR COMPANY-2

Upon the effectiveness of this Scheme, the Transferor Company-1 and Transferor Company-2 shall be dissolved without winding up, and the Board and any committees thereof of the Transferor Company-1 and Transferor Company-2 shall without any further act, instrument or deed be and stand vacated and discharged. The name of the Transferor Company-1 and Transferor Company-2 shall be struck off from the records of the RoC and the Transferee Company shall make necessary filings in this regard and no separate consent/ approval of the Transferee's shareholders shall be required under applicable provisions of the Act.

PART-IV

6. DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING IN THE TRANSFEREE COMPANY

6.1. Demerger of the Demerged Undertaking to the Transferee Company

Upon this Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking of Transferor Company-3 shall stand demerged and transferred (as a going concern) and be vested in and be managed with the Transferee Company, without any further deed or act together with all its properties, assets, rights, benefits and interest therein, subject to existing charges, lien or lis pendens, if any thereon, in the manner described hereunder.

6.2. Transfer and vesting of the Demerged Undertaking in the Transferee Company

Without prejudice to the generality of the foregoing, upon the Scheme becoming effective with effect from the Appointed Date:

6.2.1 any and all assets relating to the Demerged Undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or transfer by vesting and recordal pursuant to this Scheme shall stand transferred to and vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. No stamp duty shall be payable on the transfer of such movable properties (being part of the Demerged Undertaking) and being vested in the Transferee Company;

6.2.2 any and all movable properties of the Transferor Company-3 relating to the Demerged Undertaking, other than those specified in subclause 6.2.1 above, including 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 Government, semi-Government, local and other authorities and bodies, customers and other persons shall without any further act, instrument or deed become the property of the Transferee Company;

4.3.3 without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company-3 pertaining to the Demerged Undertaking, whether freehold or leasehold shall stand transferred to and be vested in the Transferee Company upon registration of the order with the concerned Sub-Registrar of Assurances, as successor to the Demerged Undertaking of the Transferor Company-3, without any act or deed to be done or executed by the Transferor Company-3, as the case may be and/or the Transferee Company.

4.3.4 any and all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company-3 relating to the Demerged Undertaking, whether secured or unsecured, whether provided for or not or disclosed in the books of accounts of the Transferor Company-3, shall stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company. The Transferee Company undertakes to meet, discharge and satisfy the same to the exclusion of Transferor Company-3. It is hereby 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 other than the lender banks, which are the secured creditors.

Where any of the loans, liabilities and obligations attributed to the Demerged Undertaking on or after the Appointed Date have been discharged by the Transferor Company-3 on behalf of the Demerged Undertaking after the Appointed Date, but before the Effective Date, such discharge shall be deemed to have been discharged by the Transferor Company-3 for and on behalf of the Transferee Company. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, borrowings, or other debts which are not transferred to the Transferee Company pursuant to this Scheme and which shall continue with the Transferor Company-3 shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liability with effect from the Appointed Date and upon the coming into effect of this Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company-3 in relation of the Demerged Undertaking by virtue of this Scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

4.2.5 any and all contracts, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, undertakings, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever description and nature in relation to the Demerged Undertaking to which the Transferor Company-3 is a party or to the benefit of which, the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand vested and transferred to the Transferee Company and be in full force and effect on or against or in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company-3, the Transferee Company had been a party or beneficiary or obligee thereto.

4.2.6 any and all registrations, goodwill, licenses, trademarks, trade names, service marks, patents, copy rights, domain names and all such rights of whatsoever description and nature exclusively in relation to the Demerged Undertaking to which the Transferor Company-3 is a party or to the benefit of which the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand vested and transferred to the Transferee Company and be and remain in full force and effect in favour of the Transferee Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Company-3, the Transferee Company had been a party or beneficiary or obligee thereto.

4.2.7 any and all statutory or regulatory licenses, no objection certificates, permissions, approvals, consents, quotas, rights, entitlements, exemptions, registrations, certificates, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto in relation to the Demerged Undertaking which are subsisting or having effect immediately before the Effective Date, shall stand vested in and be transferred to the Transferee Company, without any further act or deed done by the Transferor Company-3 or the Transferee Company and be in full force and effect in favour of the Transferee Company. If the consent or transfer of any licenses or authority is required to give effect to the provisions of this Clause, the said licenses or authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company pursuant to the sanction of the Scheme by the NCLT, and upon the Scheme becoming effective in accordance with the terms hereof.

With effect from the Appointed Date, any such statutory and regulatory no-objection certificates, licenses, permissions, consents, approvals, authorizations or registrations, as are jointly held for the Demerged Undertaking and the Transferor Company-3 (Residual) shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights, and the relevant or concerned statutory authorities and licensors shall endorse and/ or mutate/substitute or amend the separation, upon filing of this Scheme (as sanctioned by the NCLT) with such authorities and licensors after this Scheme becomes effective, so as to facilitate the continuation of operations in the Transferee Company;

4.1.9 all permanent employees of the Transferor Company-3, engaged in or exclusively in relation to the Demerged Undertaking shall be engaged by the Transferee Company, without any interruption of service and on such terms and conditions, as are no less favourable than those on which they are currently engaged by the Transferor Company-3. With regard to provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of such employees of the Transferor Company-3, the Transferee Company shall, upon this Scheme becoming effective and with effect from the Appointed Date, stand substituted for the Transferor Company-3 for all purposes whatsoever, including with regard to the obligation to make contributions to the said funds and schemes, in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents.

The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the permanent employees engaged in or in relation to the Demerged Undertaking, the past services of such employees with the Transferor Company-3 shall also be taken into account and agrees and undertakes to pay the same as and when payable.

The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Transferor Company-3 for such employees of the Demerged Undertaking shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc. being maintained by the Transferee Company. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company-3.

4.2.9 The Transferee Company shall bear the burden and the benefits of any legal or other proceedings relating to or in connection with the Demerged Undertaking, initiated by or against the Transferor Company-3. If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatsoever nature by or against the Transferor Company-3 be pending, the same shall not abate, be discontinued or in anyway be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company-3, as if this Scheme had not been made. The Transferee Company also undertakes to deal with all legal or other proceedings which may be initiated by or against the Transferor Company-3 or the Transferee Company after the Appointed Date but relating to the Demerged Undertaking in respect of the period up to the Effective Date, in its own name and account and to the extent possible to the exclusion of the Transferor Company-3. The Transferee Company further undertakes to pay all amounts including interest, penalties, damages, etc., which may be called upon to be paid or secured in respect of any liability or obligation relating to the Demerged Undertaking for the period up to the Effective Date. Any reasonable costs incurred by the Transferor Company-3, in respect of the proceedings started by or against it relating to the Demerged Undertaking and for the period up to the Effective Date shall be reimbursed by the Transferee Company, upon submission of necessary evidence of having incurred such costs by the Transferor Company-3 to the Transferee Company; and

4.2.10 all taxes, duties, cess payable by the Transferor Company-3 relating to the Demerged Undertaking including all or any refunds/credits/claims including advance tax, self-assessment tax, minimum alternate tax and/or TDS credit relating thereto shall be treated as the liability or set off or refunds/credits/claims, as the case may be, of the Transferee Company. Upon effectiveness of the Scheme, the payment of tax, whether by way of deduction of tax or otherwise howsoever, by the Transferor Company in respect of activities or operations of the Demerged Undertaking on or from the Appointed Date, shall be deemed to have been paid by the Transferee Company, and, shall in all proceedings be dealt with accordingly. Any TDS deductions by or on behalf of the Transferor Company-3 on inter se transactions will be treated as tax deposited by the Transferee Company.

4.3 Upon the Scheme becoming effective, interest of the secured creditors (if any), unsecured creditors and equity shareholders of the Transferor Company-3 will not be adversely affected.

6.4. the Transferor Company-3 and/or the Transferee Company, as the case may be, shall at any time after the coming into effect of this Scheme and in accordance with the provisions hereof, if so required under any law or otherwise, shall execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking to which the Transferor Company-3 has been a party, in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company-3 and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company-3.

6.5. CONSIDERATION

Upon this Scheme becoming Effective, the Board of Directors of the Transferee Company shall determine the record date ("Demerger Record Date"), which shall be later than the Effective Date, for issue and allotment of fully paid-up equity shares by the Transferee Company to the shareholders of Transferor Company -3 (Residual) in accordance with this Clause and on determination of the Demerger Record Date, Transferor Company -3 (Residual) shall provide to the Transferee Company, the list of shareholders of Transferor Company -3 (Residual) as on the Demerger Record Date, who are entitled to the issue and allotment of the fully paid-up equity shares in terms of this Scheme, to enable the Transferee Company to issue and allot fully paid-up equity shares in terms of the Scheme.

Upon determination of the Demerger Record Date, the Transferee Company shall, in consideration of the transfer of the Demerged Undertaking, without further application, issue and allot to the equity shareholders of the Transferor Company-3 as on the Demerger Record Date, 100 (one hundred) equity shares of face value of Rs. 10/- (credited as fully paid-up) of the Transferee Company for every 250 (two hundred and fifty only) fully paid-up equity shares of Rs. 10/- each held by them in the Transferor Company-3 as on the Demerger Record Date ("Share Swap Ratio-3"). Mr. Sachin Chhadawa, an Independent Registered Valuer, was appointed to determine the Share Swap Ratio-3. The report dated 29th March, 2023 issued by Mr. Sachin Chhadawa on the Share Swap Ratio-3 has been duly considered by the Board of Directors of the Transferor Company-3 and the Transferee Company.

6.6. All equity shares in the Transferee Company to be issued to the shareholders of the Transferor Company-3 pursuant to this Scheme shall rank pari passu in all respects to the existing equity shares of the Transferee Company. No fractional shares shall be issued in this connection but in lieu of such fractional shares the number of shares to be issued shall be rounded to the nearest whole share.

6.7. ACCOUNTING TREATMENT

Accounting treatment in the books of Transferor Company-3

6.7.1 The difference between the book value of assets and liabilities transferred pursuant to the Scheme shall be adjusted against the Profit and Loss Account in the books of Transferor Company-3 or the treatment will be given as per the applicable law in force on the Effective date of the Scheme.

6.7.2 The excess of the value of liabilities over the value of assets which have been transferred pursuant to the Scheme shall be credited to the Capital Reserve or any other reserve as per the law in force on the Effective date of the Scheme.

Accounting treatment in the books of Transferee Company

6.7.3 With effect from the Appointed Date, all the assets and liabilities of the Demerged Undertaking shall be recorded at their book value by the Transferee Company. Provided the Transferee Company shall record the value of the assets and the liabilities of the Demerged Undertaking at a value different from the value appearing in the books of account of the Transferor Company-3 as on the Appointed Date, to comply with the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015, if applicable.

6.7.4 The Transferee Company shall credit its Share Capital Account with the aggregate face value of the equity shares issued to the shareholders of Transferor Company-3 pursuant to Clause 6.2 of this Scheme.

6.7.5 The amount representing the surplus of assets and liabilities of the Demerged Undertaking over the aggregate face value of the share capital issued by the Transferee Company to the shareholders of the Transferor Company-3, shall be credited by the Transferee Company to the Capital Reserve.

6.7.6 The amount representing the deficit, if any, of assets and liabilities of the Demerged Undertaking over the aggregate face value of the share capital issued by the Transferee Company to the shareholders of the Transferor Company-3 shall be treated as goodwill and the same may be dealt in any manner as may be determined by the Board of Directors of the Transferee Company.

6.8. CONDUCT OF BUSINESS FROM APPOINTED DATE UPTO THE EFFECTIVE DATE

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

(a) the Transferor Company-3 undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the Demerged Undertaking, for and on account of and in trust for the Transferee Company; and

(b) the Transferor Company-3 shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not in respect of the said undertaking, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments, either for itself or its Subsidiaries/ Group Companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, except:

(i) when the same is expressly provided in this Scheme; or

(ii) when the same is in the ordinary course of business as carried on by it as on the date of filing of this Scheme to the NCLT; or

(iii) when a written consent of the Transferee Company has been obtained in this regard.

(c) except by mutual consent of the Boards of Directors of the Transferor Company-3 and the Transferee Company and subject to changes pursuant to commitments, obligations or arrangements made prior to the Appointed Date, or as part of this Scheme, pending sanction of this Scheme, the Transferor Company-3 and the Transferee Company shall not make any change in their respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, reorganisation, or in any other manner effect the re-organisation of capital of the Transferor Company-3 and the Transferee Company; and

(d) the Transferor Company-3 shall not alter or substantially expand the business of the Demerged Undertaking, except with the written concurrence of the Transferee Company; and

(e) all profits accruing to the Transferor Company-3 and all taxes thereon or losses arising or incurred by it with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of the Transferee Company.

4.8.2. With effect from the Effective Date the Transferee Company shall commence and carry on and shall be authorised to carry on the business of the Demerged Undertaking.

4.8.3. For the purpose of giving effect to the demerger order passed under Sections 230 and 232 of the Act in respect of this Scheme by the NCLT, the Transferee Company shall, at any time pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking in accordance with the provisions of Sections 230-232 of the Act. The Transferee Company shall be authorised to execute any pleadings, applications, forms etc., as are required to remove any difficulties and carry out any formalities or compliances as are necessary for the implementation of this Scheme.

4.8.4. The Transferee Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking of the Transferor Company-3 with effect from the Appointed Date, in order to give effect to the foregoing provisions.

4.9. INCREASE IN THE AUTHORISED SHARE CAPITAL

4.9.1. As an integral part of this Scheme and upon this Scheme coming into effect and with effect from the Appointed Date, the authorised share capital of the Transferee Company of Rs. [illegible]/- divided into [illegible] equity shares of Rs. 10/- (Rupees Ten) each, in terms of Clause V of its Memorandum of Association shall stand enhanced by an amount of Rs. [illegible]/-, which includes the transferred authorised share capital of the Transferor Company-1 and Transferor Company-2.

Name of the Company	Authorised capital to be transferred to Transferee Company
[illegible] Hotel Private Limited (Transferor Company-1)	[illegible]
[illegible] Hospitality Private Limited (Transferor Company-2)	[illegible]

Accordingly, the words and figures in the Memorandum of Association of the Transferee Company shall stand modified and be substituted to read as follows:

"The Authorised Share Capital of the Company is Rs. [illegible]/- divided into [illegible] equity shares of Rs.10/- each and the Company shall have the power to issue shares at par or at a premium or at a discount and shall also have the power to increase or reduce its capital and to divide the capital for the time being into several classes and attach thereto respectively such preferential, qualified, deferred, succeeding or special rights, privileges, conditions or restrictions attached thereto and as may be permissible by law and as may be determined by or in accordance with the Articles of Association of the Company for the time being in force, and to vary, modify or abrogate such rights, privileges or conditions in such manner as may be permitted by law and as may be provided by the Articles of Association of the Company for the time being in force."

4.10 It is hereby clarified that for the purposes of this Clause 4.3, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under Section 13, Section 40, Section 41 or any other applicable provisions of the Act, would required to be separately passed.

PART-V

5. GENERAL TERMS AND CONDITIONS

5.1. General Terms

Upon this Scheme becoming effective, the accounts of Transferor Company-3 (Detached) and the Transferee Company, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.

5.2. Application to NCLT

Transferor Company-1, Transferor Company-2, Transferor Company-3 and the Transferee Company shall, with all reasonable dispatch, make necessary applications to the NCLT under Sections 230 to 232 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective shareholders and/or creditors and for sanctioning of this Scheme, with such modifications as may be approved by the NCLT.

Upon this Scheme being approved by the requisite majority of the shareholders and secured and unsecured creditors of Transferor Company-1, Transferor Company-2, Transferor Company-3 and the Transferee Company (as may be directed by the NCLT), Transferor Company-1, Transferor Company-2, Transferor Company-3 and the Transferee Company shall, with all reasonable dispatch, apply to the NCLT, for sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Act, and for such other order or orders, as the said NCLT may deem fit for carrying this Scheme into effect.

5.3. Cost, Charges and Expenses

All costs, expenses, charges, fees, taxes, duties, levies and all other expenses, if any, arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and incidental thereto shall be borne and paid by the Transferee Company.

5.4. Modification or amendments

Each of Transferor Company-1, Transferor Company-2, Transferor Company-3 and the Transferee Company (acting through their Boards of Directors) may in their full and absolute discretion, assent to any amendments, alterations or modifications to this Scheme, which the NCLT and/or any other authorities may deem fit to direct, approve 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 Transferor Company-1, Transferor Company-2, Transferor Company-3 and the Transferee Company (acting through their Boards of Directors) be and is 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 the order of the NCLT 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 and may also in their full and absolute discretion, withdraw or abandon this Scheme at any stage prior to the Effective Date.

5.5. Conditionality of the Scheme

This Scheme is conditional upon and subject to:

5.5.1 Approval of Scheme 1 by NCLT, Mumbai and same being effective;

5.5.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/or secured and unsecured creditors of the Transferor Company-1, Transferor Company-2, Transferor Company-3 and the Transferee Company, as may be directed by the tribunal or any other competent authority or any other appropriate authority under the applicable provisions of the Act, as may be applicable; and

5.5.3 it being sanctioned by the NCLT Gujarat (for Amalgamation and Demerger) and Mumbai (for Demerger) and certified copy of the order of the NCLT sanctioning this Scheme being filed with the Registrar of Companies, Mumbai and Gujarat by Transferor Company-1, Transferor Company-2, Transferor Company-3 and the Transferee Company respectively, as may be applicable.

5.6. Dispute and jurisdiction

The Transferor Company-1, Transferor Company-2, Transferor Company-3 and the Transferee Company shall make necessary applications before the NCLT for sanction of this Scheme and any dispute arising out of this Scheme shall be subject to the jurisdiction of the NCLT.

5.7. Operative Sequence of the Scheme

Upon the sanction of this Scheme and upon this Scheme becoming Effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative provided hereinafter:

37.1 amalgamation of the Transferor Company-1 and Transferor Company-2 with the Transferee Company and other related matters in accordance with Part III of this Scheme;

37.2 demerger of the Demerged Undertaking and transfer and vesting thereof to the Transferee Company, in accordance with Part IV of this Scheme;

37.3 increase in the authorised share capital of the Transferee Company;

37.4 the Transferee Company shall be entitled to, amongst others, revise its income tax returns, TDS certificates, TDS/TCS returns and other direct and indirect tax returns, and to claim refunds and /or credits, etc. pertaining to the Transferor Company-1, Transferor Company-2 and the Demerged Undertaking pursuant to the provisions of the Scheme;

37.5 the Transferor Company-3 (Residual) shall be expressly entitled to, amongst others, revise its income tax returns, TDS certificates, TDS/ TCS returns and other direct and indirect tax returns, and to claim refunds and /or credits, etc. pertaining to the Transferor Company-3 (residual) pursuant to the provisions of the Scheme; and

37.6 the shareholders or Promoters of the Transferor Company-1, Transferor Company-2, Transferor Company -3 and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

37.7 The Transferor Company -3 (Residual) and the Transferee Company are expressly permitted to file/revise their income tax returns and related TDS certificates and other statutory returns, if required and shall have the right to claim refunds, advance tax credits, etc., if any and shall have the right to claim refunds, advance tax credits, etc., if any, pursuant to the sanction of this Scheme; and

38 Inconsistency between terms of the scheme

In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferor Company-1, Transferor Company-2, Transferor Company-3 and Transferee Company and its shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

9.9. Severability

If any part of this Scheme is held invalid, ruled illegal by any Court of competent jurisdiction, or becomes unenforceable for any reason, whether 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 parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part.

9.10. Saving

The transfer of properties and liabilities to and the continuance of proceedings by or against the Transferee Company as envisaged in Part III and Part IV above shall not affect any transaction or proceedings already concluded by the Transferor Company-1, Transferor Company-2 or the Transferor Company-3 (in relation to the Demerged Undertaking) on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by Transferor Company-1, Transferor Company-2, Transferor Company-3 (in relation to the Demerged Undertaking) in respect thereto as done and executed on behalf of itself.

10. Effect of non-receipt of approvals

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/or the Scheme not being sanctioned by the NCLT or such other competent authority and/or the Order not being passed as aforesaid, this Scheme shall be stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or may otherwise arise in law.

Annexure "A"

The shareholding structure of Transferee Company-1 as on 31st October 2020

Company Name	No. of Shares held	Share Capital (in Rupees)	% of Share Holding
[illegible] PRIVATE LIMITED	3,67,500	36,75,000	100%
Promoter Company: [illegible] Private Limited	3,67,499	36,74,990	99.9997%
Promoters Individual: [illegible] Mehta	1	10	0.0003%

The shareholding structure of Transferee Company-1 (Post effect of Scheme 1)

Company Name	No. of Shares held	Share Capital (in Rupees)	% of Share Holding
[illegible] PRIVATE LIMITED	[illegible]	[illegible]	100%
Promoter Company: [illegible] Private Limited	[illegible]	[illegible]	[illegible]
Promoters Individual: [illegible] Mehta	1	10	[illegible]

Annexure "B"

The shareholding structure of Transferee Company-2 as on 31st October 2020

Company Name	No. of Shares held	Share Capital (in Rupees)	% of Share Holding
[illegible] HOSPITALITY PRIVATE LIMITED	2,50,000	25,00,000	100%
Promoter Company: [illegible] Private Limited	2,49,999	24,99,990	99.9996%
Promoters Individual: [illegible] Mehta	1	10	0.0004%

The shareholding structure of Transferee Company-2 (Post effect of Scheme 1)

Company Name	No. of Shares held	Share Capital (in Rupees)	% of Share Holding
[illegible] HOSPITALITY PRIVATE LIMITED	[illegible]	[illegible]	100%
Promoter Company: [illegible] Private Limited	[illegible]	[illegible]	[illegible]
Promoters Individual: [illegible] Mehta	1	10	[illegible]

Annexure "C"

The shareholding structure of Transferor Company-3 as on 31st October 2020Company Name	No. of Shares held	Share Capital (in Rupees)	% of Share Holding
HOTEL [illegible] PRIVATE LIMITED	[illegible]	[illegible]	100%
Promoters Individual			
[illegible] Mehta	[illegible]	[illegible]	[illegible]
[illegible] Mehta	1,000	[illegible]	[illegible]
[illegible] Mehta	[illegible]	[illegible]	[illegible]
[illegible] Mehta	1,000	[illegible]	[illegible]

Annexure "B"

The shareholding structure of Transferee Company as on 31st October 20[illegible]

Company Name	No. of Shares held	Share Capital (in Rupees)	% of Share holding
[illegible] LIMITED	[illegible]	[illegible]	[illegible]
Promoter Company [illegible] Private Limited	[illegible]	[illegible]	[illegible]
Promoters Individual			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Holding Co. [illegible]	[illegible]	[illegible]	[illegible]

The shareholding structure of Transferee Company (Post effect of Scheme [illegible])

Company Name	No. of Shares held	Share Capital (in Rupees)	% of Share holding
[illegible] LIMITED	[illegible]	[illegible]	[illegible]
Promoter Company [illegible] Pvt Ltd	[illegible]	[illegible]	[illegible]
Promoters Individual			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Holding Co. [illegible]	[illegible]	[illegible]	[illegible]

Annexure-B

Schedule

First Part

The Company has one Freehold property situated at Junagarh Railway Station admeasuring 1575 sq. mt under the brand name of Zircon Hotels Pvt Ltd, Next to Junagarh Railway Station, Railway Area, Junagarh, Gujarat-362001.

Second Part

There are no Leasehold property in the Zircon Hotels Private Limited

Third Part

There are no stocks, shares, debentures and other charges in action of Zircon Hotels Private Limited

For ZIRCON HOTELS PRIVATE LIMITED,

Mansur Abubaker Mehta
Director
DIN: 01643019

Schedule

First Part

[The Company has one Freehold property situated at Bhuj Railway Station admeasuring 1080 sq. mt under the brand name of Zircon Hospitality Pvt Ltd, Next to Bhuj Railway Station, Railway Area, Bhuj, Gujarat-370001]

Second Part

There are no leasehold property in the Zircon Hospitality Private Limited

Third Part

There are no stocks, shares, debentures and other charges in action of Zircon Hospitality Private Limited

For Zircon Hospitality Private Limited,

Munvar Abubaker Mehta
Director
DIN: 01643019

Vimal
Asst
17.03.2023

Certified to be True Copy of the Original
17/03/23
Deputy Registrar
NCLT, Ahmedabad Bench
Ahmedabad

Date of pronouncement of Order: 15-03-2023
Date on which application for Certified Copy was made: 16-03-23
Date on which Certified Copy was ready: 17-3-23
Date on which Certified Copy delivered: 17-3-23

92
17.03.2023

IN THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD
COURT - 2

ITEM No 302, 303, 304
CP(CAA)/68(AHM)2022 In
CA(CAA)/56(AHM)2021
AND
CP(CAA)/69(AHM) 2022 In
CA(CAA)/54(AHM) 2021
AND
CP(CAA)/70(AHM) 2022 In
CA(CAA)/53(AHM) 2021

Order under Section 230-232 of Co. Act, 2013

IN THE MATTER OF:
Zircon Hospitality Pvt Ltd ....Applicant
(Transferor Company)
AND ....Respondent
Zircon Hotels Pvt LTD
(Transferor Company)
AND
Hotel Suba Star Pvt Ltd
(Transferee Company)

Order delivered on ..15/03/2023

Coram:
Dr. Madan B Gosavi, Hon'ble Member(J)
Ajai Das Mehrotra, Hon'ble Member(T)

PRESENT:

For the Applicant :
For the Respondent :

ORDER

The case is fixed for pronouncement of the order. The order is pronounced in the open court, vide separate sheet.

-sd- -sd-

AJAI DAS MEHROTRA **DR. MADAN B GOSAVI**
MEMBER (TECHNICAL) **MEMBER (JUDICIAL)**

NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
(COURT NO. II)

C.P.(CAA)/69(AHM)2022
IN
CA(CAA)/54/AHM/2021
AND
C.P.(CAA)/70(AHM)2022
IN
CA(CAA)/53/AHM/2021
AND
C.P.(CAA)/68(AHM)2022
IN
CA(CAA)/55/AHM/2021

(In the matter of Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with The Companies (Compromises, Arrangements, and Amalgamation) Rules, 2016)

IN THE MATTER OF
SCHEME OF AMALGAMATION & DEMERGER OF

C.P.(CAA)/69(AHM)2022
ZIRCON HOTELS PRIVATE LIMITED
(Petitioner Company No. 1/ Transferor Company No. 1)

AND

C.P.(CAA)/70(AHM)2022
ZIRCON HOSPITALITY PRIVATE LIMITED
(Petitioner Company No. 2/ Transferor Company No. 2)

WITH

C.P.(CAA)/68(AHM)2022
HOTEL SUBA STAR PRIVATE LIMITED
(Petitioner Company No. 3/ Transferee Company)

Their Respective Shareholders and Creditors

Order Pronounced on: 15.03.2023

Coram:
DR. MADAN BHALCHANDRA GOSAVI,
HON'BLE MEMBER (JUDICIAL)
AJAI DAS MEHROTRA,
HON'BLE MEMBER (TECHNICAL)

MEMO OF PARTIES

ZIRCON HOTELS PRIVATE LIMITED
(CIN U55101GJ2014PTC121016)
Registered Office at:
Hotel Suba Star, Judges Bunglow Road,
Near Akash Tower Bodakdev,
Ahmedabad, Gujarat-380015.

... Petitioner Company No. 1/
Transferor Company No. 1

ZIRCON HOSPITALITY PRIVATE LIMITED
(CIN U55101GJ2014PTC121017)
Registered Office at:
Hotel Suba Star, Judges Bunglow Road,
Near Akash Tower Bodakdev,
Ahmedabad, Gujarat- 380015.

...Petitioner Company No. 2/
Transferor Company No. 2

HOTEL SUBA STAR PRIVATE LIMITED
(CIN U99999GJ1997PTC120713)
Registered Office at:
Hotel Suba Star, Judges Bunglow Road,
Near Akash Tower Bodakdev,
Ahmedabad, Gujarat- 380015.

...Petitioner Company No. 3/
Transferee Company

For the Petitioners:	Ashish Lalpuria, PCS a/w Kamal Lahoty, PCS i/b. Mr. Devang Mehta, Adv.
For the Official Liquidator:	Mr. Kamlesh Rathod, Official Liquidator
For the Income Tax Department:	Ms. Kinjal Trivedi, Adv. for Ms. Maithili Mehta, Adv.

COMMON ORDER

1. Three separate company petitions are filed under Section 230-232 read with other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and read with the Companies (Compromise, Arrangement, and Amalgamations) Rules, 2016 for sanctioning Scheme of Amalgamation (hereinafter referred to as the "Scheme") of Zircon Hotels Pvt. Ltd. (for brevity referred as "Petitioner Company No. 1/Transferor Company No. 1") and Zircon Hospitality Pvt. Ltd. (for brevity referred as "Petitioner Company No. 2/Transferor Company No. 2") with Hotel Suba Star Private Limited (for brevity referred as "Transferee Company") and Demerger of the Hotel Suba Elite (Baroda Hotel Undertaking) of Hotel Suba Palace Private Limited ("Demerged Company" or the "Transferor Company-3") vesting in Hotel Suba Star Private Limited and their respective shareholders and creditors with effect from the Appointed Date on the agreed terms and conditions as set out in

the Scheme annexed in accordance with Sections 230 to 232 of the Companies Act, 2013.

2. It is submitted by the petitioner companies that the present Petitions have been filed by transferor company no. 1, transferor company no. 2, and transferee company and the registered office of the Hotel Saba Palace Private Limited, the transferor company no. 3 is in the state of Maharashtra and therefore separate Petition vide CP/CAA/60/MB/2022 in CA(CAA)/113/MB/2021 was filed by said Company before the NCLT Mumbai Bench. The NCLT, Mumbai Bench vide its order dated 20.10.2022, have allowed the Scheme.

3. From the records, it is seen that first motion application seeking directions for dispensation of all the meetings of the equity shareholders, secured and unsecured creditors of all the Petitioner Companies was allowed by this Adjudicating authority vide common order dated 28.09.2022.

4. The 2nd motion joint petition, was admitted vide order dated 20.10.2022, issuing Notices to the concerned Regulatory authorities and also directing publication in the newspapers "Business Standard" for English and Gujarati language Ahmedabad Edition. Petitioner Companies have filed respective compliance affidavits.

5. The Regional Director, North Western Region, MCA has filed common report on 18.08.2022 for all the petitioner companies along with the report of RoC, Ahmedabad, seeking following directions:

   i) The petitioner companies to undertake the compliance of section 232(3)(i) of the Companies Act, 2013 and to pay fees accordingly.

   ii) The petitioner companies to amend the clause no. 4.2.8 by providing that the petitioner companies to undertake for granting of service terms and conditions to all the employees of demerged undertaking of Demerged company rather than only permanent employees and said service terms and conditions will not be less favorable than the present benefits available to them.

   iii) The petitioner Transferee /Resulting Company to comply with the provisions of section 61 of the Companies Act, 2013 and also as to the payment of stamp duty, registration fees etc. and file the relevant e-form with respective Registrar of Companies.

   iv) The transferee company to place on record all relevant facts of the matter in respect of secured creditors of transferor company No. 2.

   v) The transferee company to place on record all relevant facts of the matter in respect of secured creditors of transferee company.

   vi) The Petitioner Companies to pay legal fees/cost to the Central Government.

6. The Official Liquidator, attached with the Hon'ble High Court of Gujarat has filed common observations dated 27.01.2023, for the petitioner transferor company 1 and 2 and seeking directions as follows:

    i) The petitioner transferor company no. 1 and 2 to comply with the provisions of the Companies Act, 2013 in respect of filing of the Annual Audited Accounts (Balance Sheet) with the Registrar of Companies, Gujarat, Ahmedabad and place on the records of this Hon'ble Tribunal, the proof of having filed the Annual Audited Accounts.

    ii) The petitioner transferor company no. 1 and 2 to place on records of this Hon'ble Tribunal, the Certificate of the Statutory Auditor under the provisions of Section 133 of the Act, before sanctioning of the present Scheme of Amalgamation.

    iii) The petitioner companies to place on records of this Hon'ble Tribunal the amended clause V to be incorporated in the memorandum of association upon scheme of amalgamation and demerger coming into force.

    iv) The petitioner companies to place on the records of this Hon'ble Tribunal, the status of the matter pending before the Hon'ble NCLT, Mumbai Bench before sanctioning of the present scheme of amalgamation, since the orders of the Hon'ble NCLT, Mumbai Bench is directly going to affect the shareholding of the transferor company no. 2.

v) The transferor companies to preserve its books of accounts, papers, and records and not to dispose them without prior permission of the Central Govt. as per the provisions of the section 239 of the Companies Act, 2013.

vi) The transferor company to ensure Statutory Compliance of all applicable laws and also on sanctioning of the present Scheme, the Transferor Company shall not be absolved from any of its Statutory liability, in any manner.

vii) The transferee company to pay such cost and expenses to the office of the official liquidator for the transferor companies, or any such amount as may be considered appropriate by the Bench.

viii) The petitioner companies to lodge a certified copy of order along with the Scheme, with the concerned superintendent of stamp duty for determination of stamp duty payable, if any.

7. The Income Tax Department filed its report on 14.02.2023 for the petitioner company no. 1 and petitioner company no. 2 and stated that the submissions of the petitioner company no. 1 and 2 and on verification of records available in this office, this office has no objection to this scheme

of arrangement subject to the condition that provisions highlighted in Section 2(1B), Section 2(19AA), Section 72A, Section 72AA of the Act and other relevant provisions of the Act are being followed. If in case after this scheme of arrangement comes into effect, it was observed that there has been non-compliance with the provisions of Section 2(1B), Section 2(19AA), Section 72A, Section 72AA of the Act and other relevant provisions of the Act, then Revenue would be at the liberty to invoke relevant provisions of the Act. Further, Income Tax Department filed its report on 10.01.2023 for the petitioner company no. 3 and stated that there is no demand outstanding as on date. However, assessment proceeding u/s. 147 of the Act is pending in this case for A.Y. 2016-17.

8. The Petitioner Companies have filed an affidavit on 24.01.2023 in response to the observations of Regional Director, RoC, submitting as under:

   (i) For differential fees, the transferee company gave undertaking for compliance of section 232(3)(i) of the Companies Act, 2013.

   (ii) The transferee company undertakes that the Company will comply with the relevant provisions of the Companies Act, 2013 for increase in authorized share capital of the transferee/ resulting company and shall pay the required fees and file relevant forms with the Registrar of Companies.

(iii) The petitioner company no. 2 has only one loan from HDFC Bank Limited for amounting Rs.8.52 crores and against the same 2 (two) separate charges are created amounting Rs. 1.42 crores and Rs. 7.10 crores. As far as the second charge w.r.t Kotak Mahindra Bank is concerned, the loan was repaid in the financial year 2015-16 only and hence, the same is not shown in the financial statements. The petitioner company will take necessary actions to remove the said charge from MCA Portal.

(iv) There are no secured creditors in the transferee company. However, the Transferee Company viz Hotel Suba Star Private Limited has given Corporate Guarantee in Favour of Hotel Suba Palace Private Limited by securing its own assets and accordingly a charge has also been created in the name of the Transferee Company. Hence, there are no secured creditors in the transferee company.

(v) The petitioner company undertakes that all the employees of demerged undertaking will become the employee of the Resulting Company. Further, undertake that the petitioner company will provide benefits to all the employees uniformly.

(vi) The petitioner companies further undertakes to comply with the direction of the regulatory authorities in accordance with the law.

9. The petitioner companies have filed a separate affidavit in rejoinder on 31.01.2023, to the observations of Official Liquidator and the submission made in above stated replies are as follows:

   i) The transferor company No. 1 has filed its Annual Audited Accounts (Balance Sheet) with the Registrar of Companies, Gujarat, Ahmedabad on 02.01.2023 vide SRN F55621528. The transferor company No. 2 has filed its Annual Audited Accounts (Balance Sheet) with the Registrar of Companies, Gujarat, Ahmedabad on 02.01.2023 vide SRN F55626519. Certificate required under section 133 of Companies Act, 2013 also annexed with this affidavit for transferor company no. 1 and 2.

   ii) The transferor Company no. 1 states that clause V of the Memorandum of Association of transferee company upon combination of the Authorised Share Capital would be:

      "V. The Authorised Share Capital of the Company is Rs. 2,98,00,000/- (Rupees Two Crores Ninety-Eight Lakhs only) divided into 29,80,000 (Twenty-Nine Lakhs Eighty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each."

   iii) The transferor company no. 2 states that clause V of the Memorandum of Association of Transferee Company upon combination of the Authorised Share Capital would be:

> *"V. The Authorised Share Capital of the Company is Rs. 2,98,00,000/- (Rupees Two Crores Ninety-Eight Lakhs only) divided into 29,80,000 (Twenty-Nine Lakhs Eighty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each."*

iv) The transferor company no. 2 states that the earlier Scheme before NCLT, Mumbai bench having petition no. CP(CAA)/30/MB/2021 in CA(CAA)1131/MB/2020 was allowed by the NCLT, Mumbai bench vide its Order dated 04.06.2021. Pursuant to the said Order, the Petitioner Company has become wholly owned subsidiary of Click Hotels Private Limited.

v) The transferor company no. 1 and 2 gave undertaking to comply with all the Statutory compliances of all applicable laws and would pay all the statutory liabilities as and when due and payable.

vi) The transferor company no. 1 and 2 gave undertaking to preserve its books of accounts, papers and records and shall not dispose of the same without the prior permission of the central government.

vii) The transferor company no. 1 and 2 gave undertaking to pay the cost of proceedings to the Official Liquidator, if directed by the Hon'ble Tribunal.

10. As recorded in the daily order dated 07.03.2023, Learned Counsel Ms. Kinjal Trivedi appears for the Income Tax Department and states that she

has no objection to the approval of the scheme, subject to the condition that the Transferee Company undertakes responsibility of proceedings pending, if any, regarding the Transferor Companies. Learned Counsel for the Petitioner Companies states that as per the scheme, the proceedings against the transferor company can be carried on against the transferee companies. None appeared for the Regional Director and for the Registrar of Companies. However, the RD report dated 11.01.2023 is already on record and as per the report, no adverse comments have been made by the RoC/RD. Learned Deputy Official Liquidator Mr. Kamlesh Rathod appeared on 07.03.2023 for the office of OL and states that they have submitted the report in which in para 9 they have brought observations of the statutory auditors under Section 133 of the Companies Act on examination of the financial statement and accounts of the company for the period ending 31.03.2022. The objections mainly relate to related party transactions and non-compliance of certain provisions of the Companies Act. These observations are already part of the auditor's report on the final accounts for the period ending 31.03.2022. The OL office has no other objection except the disclosures made by the statutory auditor.

Learned Counsel for the petitioner companies stated that no show cause notice regarding the observations of the statutory auditor has been issued to them by the ROC. He also pointed out that in the NCLT, Bengaluru in the case of Mindtree Limited and Larsen & Toubro Infotech Limited, on similar facts where RoC had already issued the notice, the under taking of the transferee company to fully cooperate in the investigation proceedings was considered and the amalgamation scheme was approved. He further states that para 3.2.4 of the scheme in part 3, the petitioner transferee company has undertaken to take over the proceedings against the transferor companies and any future actions also can be taken against the transferee company for the violations, if any, of the transferor company.

11. Heard submissions and perused documents placed on record. We have perused the approval accorded by the members and creditors of the Petitioner Companies to the proposed Scheme, and the no objections/reports given by the respective statutory authorities i.e., Official Liquidator, Regional Director, and Income Tax Department, the response and undertaking given by the petitioner companies against the objection and directions sought by the respective statutory authorities. With reference to the above facts and discussion, it appears that the requirements of the provisions of section 230 and 232 are satisfied by the petitioner companies. It seems that the proposed Scheme of Amalgamation is bona fide and in the interest of the shareholders and creditors. Therefore, the petition is allowed and the Scheme annexed with the petition at annexure-A envisaging Amalgamation & Demerger of M/s. Zircon Hatils Private Limited, and

M/s. Zircon Hospitality Private Limited with M/s. Hotel Sitha Star Private Limited, is hereby sanctioned. It is declared that the said sanctioned scheme shall be binding on the petitioner companies and their shareholders, creditors and all concerned under the scheme.

12. Notwithstanding the above, if any deficiency is found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal to the scheme 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.

13. While approving the Scheme as above, we further clarify that this order should not be construed as an order in any manner granting exemption from payment of stamp duty, or taxes including income tax, GST etc., or any other charges or payment in accordance with law, or any kind of waiver in respect of any permission / compliance with any other requirement which may be specifically required under any law.

14. **The Scheme is sanctioned with following directions:**

   I. The Scheme of Arrangement as annexed herewith as "Annexure A" is hereby sanctioned and it is declared that the same shall be binding on the Petitioner Companies and their Shareholders and Creditors and all concerned under the Scheme.

ii. It is declared that the transferor company no. 1 and 2 shall be dissolved without winding up.

iii. All the properties mentioned in schedule as "Annexure B", rights and powers of the transferor companies specified in the schedule hereto and all the other properties, rights and powers of the transferor companies be transferred without any further act or deed to the transferee Company and accordingly the same shall, pursuant to Section 232 of the Act, vest in the transferee company for all the estate and interest of the transferor companies therein but subject nevertheless to all charges now affecting the same, if any.

iv. Upon this Scheme becoming effective, the Board of Directors of Transferee Company shall determine the record date ("Amalgamation Record Date"), which shall be later than the Effective Date, for issue and allotment of fully paid-up equity shares by the Transferee Company to the shareholders of the Transferor Company -1 and Transferor Company -2 in accordance with this Clause and on determination of the Amalgamation Record Date, Transferor Company -1 and Transferor -2 shall provide to the Transferee Company, the list of shareholders of Transferor Company-1 and Transferor Company-2 as on the Amalgamation Record Date, who are entitled to the issue and allotment of the fully paid- up equity shares in terms of this Scheme, to enable the Transferee Company to issue and allot fully paid-up equity shares in terms of this Scheme.

(a) Upon determination of the Amalgamation Record Date, the Transferee Company shall, in consideration of the transfer of the Transferor Company-1, without further application, issue and allot to the equity shareholders of Transferor Company-1 as on the Amalgamation Record Date, 100 (one hundred) equity share of face value of Rs. 10/- (credited as fully paid-up) of the Transferee Company for every 119 (one hundred and nineteen) fully paid-up equity shares of Rs. 10/- each held by them in Transferor Company-1 as on the Amalgamation Record Date ("Share Swap Ratio-1"). Mr. Sachin Chhadawa, an independent Registered Valuer, was appointed to determine the Share Swap Ratio-1. The report dated 29 March, 2021 issued by Mr. Sachin Chhadawa on the Share Swap Ratio-1 has been duly considered by the Board of Directors of the Transferee Company.

(b) Similarly, upon determination of the Amalgamation Record Date, the Transferee Company shall, in consideration of the transfer of the Transferor Company-2, without further application, issue and allot to the equity shareholders of Transferor Company-2 as on the Amalgamation Record Date, 100 (one hundred) equity share of face value of Rs. 10/- (credited as fully paid-up) of the Transferee Company for every 58 (fifty -eight) fully paid- up equity shares of Rs. 10/- each held by them in Transferor Company-2 as on the Record Date ("Share Swap Ratio-2"). Mr. Sachin Chhadawa, an independent Registered Valuer, was appointed to determine the Share Swap Ratio-2. The report dated 29 March, 2021 issued by Mr. Sachin Chhadawa on the Share Swap Ratio-2 has been duly considered by the Board of Directors of the Transferee Company.

(c) All equity shares in the Transferee Company to be issued to the shareholder of Transferor Company-1 and Transferor Company-2 pursuant to this Scheme shall rank pari passu in all respects to the existing equity shares of the Transferee Company. No fractional shares shall be issued in this connection but in lieu of such fractional shares the number of shares to be issued shall be rounded to the nearest whole share.

(d) Upon this Scheme becoming effective, the Board of Directors of the Transferor Company No. 3 shall determine the record date ("Demerger Record Date"), which shall be later than the Effective Date, for issue and allotment of fully paid-up equity shares by the Transferee Company to the shareholders of Transferor Company No. 3 (Residual) in accordance with this Clause and on determination of the Demerger Record Date, Transferor Company No. -3 (Residual) shall provide to the Transferee Company, the list of shareholders of Transferor Company No. 3 (Residual) as on the Demerger Record Date, who are entitled to the issue and allotment of the fully paid-up equity shares in terms of this Scheme, to enable the Transferee Company to issue and allot fully paid-up equity shares in terms of this Scheme.

Upon determination of the Demerger Record Date, the Transferee Company shall, in consideration of the transfer of the Demerged Undertaking, without further application, issue and allot to the equity shareholders of the Transferor Company-3 as on the Demerger Record Date, 100 (one hundred) equity share of face value of Rs. 10/- (credited as fully paid-up) of the Transferee Company for every 559 (five hundred and fifty-nine) fully paid-up equity shares of Rs. 10/- each held by them in the Transferor Company No. 3 as on the Demerger Record Date ("Share Swap Ratio-3"), Mr. Sachin Chhadawa, an independent Registered Valuer, was appointed to determine the Share Swap Ratio-3. The report dated 29 March, 2021 issued by Mr. Sachin Chhadawa on the Share SwapRatio-3 has been duly considered by the Board of Directors of the Transferor Company No. 3 and the Transferee Company.

(e) All equity shares in the Transferee Company to be issued to the shareholders of the Transferor Company-3 pursuant to this Scheme shall rank *pari-passu* in all respects to the existing equity share of the Transferee Company. No fractional shares shall be issued in this connection but in lieu of such fractional shares the number of shares to be issued shall be rounded to the nearest whole share.

v. All proceedings, if any, now pending or to be initiated, by or against the transferor companies shall be continued by or against the transferee company. All statutory and other liabilities of the transferor companies shall become liabilities of the transferee company.

vi. All workers / employees of all the transferor companies shall be deemed to become the workers /employees of the transferee company with effect from the Appointed Date, and shall stand absorbed in the transferee company in accordance with the Scheme without any interruption of service and on terms and conditions no less favorable than those on which they are engaged by the transferor companies, as on the Effective Date.

vii. The Petitioner companies within thirty days of the date of 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 entire Undertaking of the transferor companies shall stand transferred to the transferee company and the Registrar of Companies shall place all documents relating to the transferor companies to the file kept by him in relation to the transferee company and the files relating to the said two companies shall be treated accordingly.

viii. All concerned Authorities to act on copy of this order along with the Scheme authenticated by the Registrar of this Tribunal who shall issue the certified copy of this order along with the Scheme immediately.

ix. The Petitioner Companies are directed to lodge a copy of this Order and the approved Scheme and Schedule of Assets of the transferor companies attached as Annexure-B with this order, duly authenticated by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, within 60 days from the date of the Order.

x. The Petitioner Companies are further directed to file a copy of this order along with the copy of the Scheme with the concerned Registrar of Companies, electronically, along with e-form INC-28 in addition to physical copy within 30 days from the date of issuance of the certified copy of the Order by the Registry as per relevant provisions of the Act.

xi. The legal fees and expenses of the office of the Regional Director are quantified at Rs.10,000/- in respect of both the petitioner companies. The said fees to the Regional Director shall be paid by the transferee company.

xii. The legal fees and expenses of the office of the Official Liquidator are quantified at Rs.10,000/- in respect of all the petitioner transferor companies.

The said fees to the Official Liquidator shall be paid by the transferee company.

15. Any person aggrieved shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.

16. The Petition is allowed and disposed of, in terms of above order.

-SD-	-SD-
AJAI DAS MEHROTRA	**DR. MADAN B. GOSAVI**
MEMBER(TECHNICAL)	**MEMBER(JUDICIAL)**

Abhishek Singh

SACHIN CHHADAWA
Registered Valuer – SFA (IBBI/RV/03/2020/12898)
701, Evita Empress, 439, G D Ambekar Marg,
Parel Tank Road, B/H Haffkine Institute, Parel-E, Mumbai: 400 012.
Email: sachin@sachinfca.com, Handheld: + 91 99206 18883.

Private and Confidential

To,

Board of Directors
Hotel Suba Palace Private Limited
Apollo Bunder, Near Gateway of India,
Colaba, Mumbai - 400039,
Maharashtra

Board of Directors
Hotel Suba Star Private Limited
Judges Bunglow,
Near Akash Tower Bodakdev,
Ahmedabad, Gujarat, India
380015,

Board of Directors
ZIRCON HOTELS PRIVATE LIMITED
Hotel Suba Star,
Judges Bunglow,
Near Akash Tower Bodakdev,
Ahmedabad, Gujarat, India
380015,

Board of Directors
ZIRCON HOSPITALITY PRIVATE LIMITED
Hotel Suba Star,
Judges Bunglow,
Near Akash Tower Bodakdev,
Ahmedabad, Gujarat, India
380015,

Dear Sir,

Subject: Recommendation of Fair Share Exchange Ratio pursuant to the Scheme of Amalgamation and Demerger between Hotel Suba Palace Private Limited and Hotel Suba Star Private Limited and Zircon Hospitality Private Limited and Zircon Hotels Private Limited and their Respective Shareholders and Creditors.

We refer to our Engagement Letter dated 3rd March, 2021 whereby the Management of Hotel Suba Palace Private Limited, Hotel Suba Star Private Limited, Zircon Hotels Private Limited and Zircon Hospitality Private Limited (the "Management") has requested Shri Sachin Chhadawa ("Valuer") for recommending Fair Share

Exchange Ratio for the proposed restructuring exercise, as on 31st October 2020 (hereinafter referred to as the "Valuation Date") pursuant to a Scheme of Amalgamation and Arrangement under provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 ("Scheme" or "Scheme of Amalgamation and Demerger").

Hotel Suba Palace Private Limited, Hotel Suba Star Private Limited, Zircon Hotels Private Limited and Zircon Hospitality Private Limited are hereinafter together referred to as Specified Companies.

In the following paragraphs, we have summarised our valuation analysis together with the description of the methodologies used and limitations on our scope of work.

CONTEXT AND PURPOSE

HOTEL SUBA PALACE PRIVATE LIMITED (HOTEL SUBA PALACE)

Hotel Suba Palace is a private limited company engaged in the following business activities:

- Hotel Suba Elite situated at Parsi Agiari, Fatehgunj, 390002 Vadodara, India ("Baroda Hotel Undertaking");

- Hotel Suba Palace; Hotel Suba Galaxy; and Hotel Suba International all situated within Mumbai City and Suburban ("Mumbai Hotels Undertakings"); and

- Holding overseas direct investment into Suba Holdings Pte. Ltd., Singapore.

HOTEL SUBA STAR PRIVATE LIMITED (HOTEL SUBA STAR)

Hotel Suba Star is a private limited company engaged in the carrying out hotel business in Ahmedabad, Nashik and Jaipur.

ZIRCON HOTELS PRIVATE LIMITED (ZIRCON HOTELS)

Zircon Hotels is a private limited company engaged in the carrying out hotel business in Junagarh, Bangalore and Aurangabad.

ZIRCON HOSPITALITY PRIVATE LIMITED (ZIRCON HOSPITALITY)

Zircon Hospitality is a private limited company engaged in the carrying out hotel business in Bhuj. The company is in process of opening up hotel in Indore.

PROPOSED TRANSACTION

We understand that the management of the Specified Companies are contemplating a restructuring exercise with the objective of consolidating the hotel business outside Mumbai ("Proposed Transaction") under a Scheme of Amalgamation and Demerger. The Proposed Transaction would involve following steps:

Step 1: Amalgamation of Zircon Hotels and Zircon Hospitality with Hotel Suba Star against issue and allotment of equity shares of Hotel Suba Star to the shareholders of Zircon Hotels and Zircon Hospitality of the face value of INR 10 each

Step 2: Demerger, transfer and vesting of Baroda Hotel Undertaking of Hotel Suba Palace in Hotel Suba Star against issue and allotment of equity shares of Hotel Suba Star to the shareholders of Hotel Suba Palace of the face value of INR 10 each;

In this connection, the Management has appointed Valuer to submit a report recommending the Fair Share Exchange Ratio pursuant to the Proposed Transaction for the consideration, of the Board of Directors of Hotel Suba Palace, Hotel Suba Star, Zircon Hotels and Zircon Hospitality in accordance with the applicable provisions of Companies Act 2013 and the relevant laws, rules and regulations.

We understand that you require us to perform this valuation as a registered Valuer under the Companies Act 2013 ("Act"), the Companies (Registered Valuers and Valuation) Rules, 2017. Accordingly, our valuation analysis and this Report must be construed as a valuation carried out by a registered valuer in accordance with Companies Act or as per any rules, regulations, standards, bye-laws, and ordinance, notifications issued pursuant to Companies Act or Rules.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and/or gathered from public domain:

1. Historical financial statements of Hotel Suba Palace, Hotel Suba Star, Zircon Hotels and Zircon Hospitality;
2. Audited financial statements for FY20 and the provisional financial statements for seven months' period ended 31st October 2020 of Hotel Suba Palace, Hotel Suba Star, Zircon Hotels and Zircon Hospitality;
3. Carved out financial statements for historical period, FY20 and the provisional financial statements for seven months' period ended 31st October 2020 of Baroda Hotel Undertaking of Hotel Suba Palace;
4. Statement of assets and liabilities as on 31st October 2020 for Hotel Suba Palace, Hotel Suba Star, Zircon Hotels and Zircon Hospitality;
5. Projected Financial Statements for Hotel Suba Palace, Hotel Suba Star, Zircon Hotels and Zircon Hospitality;
6. Draft Scheme of Amalgamation and Demerger;
7. International Database; World Wide Web;
8. Correspondence with the Management including Management Representation Letter;
9. In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of our analysis.

The Specified Companies have been provided with the opportunity to review the draft Report (excluding the recommended Fair Share Exchange Ratio) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final Report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. These services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than the date of the Report.

This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section - Sources of Information. An analysis of this nature is necessarily based on the information made available to us, the prevailing stock market, financial, economic and other conditions in general and industry trends in particular, as of the Valuation Date. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation rendered in this Report only represents our recommendation based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of a Fair Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no single undisputed Fair Share Exchange Ratio. While we have provided our recommendation of the Fair Share Exchange Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Fair Share Exchange Ratio at which the Proposed Transaction shall take place will be with the Board of Directors of the Specified Companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. In accordance with the terms of our engagement, we have assumed and relied upon, (i) the accuracy of the information that was publicly available and formed a basis for this Report and (ii) the accuracy of information made available to us by Hotel Suba Palace, Hotel Suba Star, Zircon Hotels and Zircon Hospitality. As per our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical and projected financial information provided to us. We have not independently investigated the data provided by the Hotel Suba Palace, Hotel Suba Star, Zircon Hotels and Zircon Hospitality. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from Hotel Suba Palace, Hotel Suba Star, Zircon Hotels and Zircon Hospitality, we have been given to understand by the Specified Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Specified Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for technical information furnished by the Specified Companies.

Accordingly, we assume no responsibility for any errors in the information furnished by the Management or obtained from public domain and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.

The Management has represented that the business activities have been carried out in the normal and ordinary course between Report Date and the Valuation Date for the Specified Companies and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.

The Report assumes that the Specified Companies comply fully with relevant laws and regulations applicable in all their area of operations unless otherwise stated, and that all the companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Specified Companies. Our conclusion of value assumes that the assets and liabilities of the Specified Companies reflected in their respective latest balance sheets remain intact as of the Report Date.

This Report does not look into the business/ commercial reasons behind the Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alterative business transaction or other alternatives or whether such alternatives could be achieved or are available.

No investigation / inspection of the companies' claim to title of assets has been made for the purpose of this Report and the companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of Hotel Suba Palace, Hotel Suba Star, Zircon Hotels and Zircon Hospitality that has appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Specified Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Specified Companies, their directors, employees or agents.

We do not accept any liability to any third party in relation to the issue of this Report. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

The Report should be used in connection with the Scheme.

Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the Proposed Schemes of Amalgamation and Arrangement, without our prior written consent.

Any discrepancies in any table / annexure between the total and the sums of the amounts listed are due to rounding-off.

SHARE HOLDING PATTERN OF COMPANIES

HOTEL SUBA PALACE

The issued and subscribed equity share capital of Hotel Suba Palace as on 21st October, 2020 was INR 10 crore consisting of 1 crore equity shares of face value of INR 10 each. The shareholding pattern was as follows:

Sr. No.	Shareholder	Percentage
1.	Mansur Abubaker Mehta	99.95%
2.	Shabnam Mansur Mehta	0.02%
3.	Mubeen Mansur Mehta	0.02%
4.	Hamidabanu Abubaker Mehta	0.01%
	Total	100%

HOTEL SUBA STAR

The issued and subscribed equity share capital of Hotel Suba Star as on 31st October, 2020 was INR 2,22,85,010 consisting of 22,28,501 equity shares of face value of INR 10 each. The shareholding pattern was as follows:

Sr. No.	Shareholder	Percentage
1.	Mansur Abubaker Mehta	3.37%
2.	Shabnam Mansur Mehta	3.37%
3.	Mubeen Mansur Mehta	3.37%
4.	Click Hotels Private Limited*	57.21%
5.	Munshi Holding Co	32.69%
	Total	100%

*Shares currently held by Hotel Suba Palace. Will get transferred to Click Hotels Private Limited after approval of the Scheme of Arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013, filed in Mumbai NCLT (The CP (CAA) No. 30/MB.V/2021 and CA (CAA) No. 1131/MB.V/2020)

ZIRCON HOTELS

The issued and subscribed equity share capital of Zircon Hotels as on 31st October, 2020 was INR 36,75,000 consisting of 3,67,500 equity shares of face value of INR 10 each. The shareholding pattern was as follows:

Sr. NO.	Shareholder	Percentage
1.	Click Hotels Private Limited**	100%
	Total	100%

**Shares currently held by Hotel Suba Palace. Will get transferred to Click Hotels Private Limited after approval of the Scheme of Arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013, filed in Mumbai NCLT (The CP (CAA) No. 30/MB.V/2021 and CA (CAA) No. 1131/MB.V/2020)

ZIRCON HOSPITALITY

The issued and subscribed equity share capital of Zircon Hospitality as on 31st October, 2020 was INR 25,00,000 consisting of 2,50,000 equity shares of face value of INR 10 each. The shareholding pattern was as follows:

Sr. NO.	Shareholder	Percentage
1.	Click Hotels Private Limited***	100%
	Total	100%

***Shares currently held by Hotel Suba Palace. Will get transferred to Click Hotels Private Limited after approval of the Scheme of Arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013, filed in Mumbai NCLT (The CP (CAA) No. 30/MB.V/2021 and CA (CAA) No. 1131/MB.V/2020)

VALUATION APPROACH & METHODOLOGY

Valuation Base: Valuation base means the indication of the type of value being used in an engagement. Different Valuation bases may lead to different conclusions of value. In transaction of the nature of merger or amalgamation of companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities of the acquirer or transferee entity with reference to an exchange ratio considering the relative values.

Considering the nature of this exercise, we have considered Relative Value as the Valuation base.

Premise of Value: Premise of Value refers to the conditions and circumstances how an asset is deployed. We have considered Going Concern .Value and "As-is-where-is" Value as applicable to the companies being valued, as the Premise of Value.

Intended Users: This report is intended for consumption of the Board of Directors of Hotel Suba Palace, Hotel Suba Star, Zircon Hotels and Zircon Hospitality for the purpose of submission to the relevent regulatory authorities.

Summary of the Scheme:

a) Part III of the Scheme contemplates amalgamation of Zircon Hotels into Hotel Suba Star and recommendation of Fair Share Exchange Ratio based on relative valuation of equity shares of Zircon Hotels and Hotel Suba Star;

b) Part III of the Scheme also contemplates amalgamation of Zircon Hospitality into Hotel Suba Star and recommendation of Fair Share Exchange Ratio based on relative valuation of equity shares of Zircon Hospitality and Hotel Suba Star;

c) Under Part IV of the Scheme contemplates, Demerger, transfer and vesting of Baroda Hotel Undertaking of Hotel Suba Palace in Hotel Suba Star against issue and allotment of equity shares of Hotel Suba Star and recommendation of Fair Share Exchange Ratio based on relative valuation of equity shares of Baroda Hotel Undertaking of Hotel Suba Palace and Hotel Suba Star;

The Scheme contemplates the Proposed Transaction pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

Valuation Approach

The three main valuation approaches are the market approach, income approach and asset approach. As discussed below, there are several commonly used and accepted methods for determining the Fair Share Exchange Ratio for the Proposed Transaction, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Approach:
    a. Market Price method
    b. Comparable Companies Multiples
2. Income Approach: Discounted Cash Flows Method
3. Cost Approach: Net Asset Value Method

It should be understood that valuation of any entity or its assets is inherently subjective and is subject to uncertainties and contingencies, all of which are difficult to predict and beyond our control. In performing our analysis, we have relied on the explanations provided by the management and have made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. This valuation could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic conditions financial and otherwise, of the companies and other factors which generally influence the valuation of the companies and their assets.

We have relied on the judgment of the Management as regards contingent and other liabilities.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature, regulatory guideline and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

The generally accepted valuation methodologies, as may be applicable, which have been used to arrive at the value of the companies are discussed hereunder:

Market Approach — Market Price (MP) Method

The market price of an equity share as quoted on a Stock Exchanges is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

In the present case, equity shares of none of the companies are listed. Hence, we have not used this method for valuation of specified companies.

Market Approach - Comparable Companies Multiple (CCM) Method

Under this method, value of the equity shares of a company/ business undertaking is arrived at by using multiples derived from valuations of comparable companies/ transactions traded on active market. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

In the present case, due to lack of exact comparables, we have not used this method for valuation of specified companies. Most of the listed comparables have size significantly more than specified companies, operate in different segment, have brand recognition much higher than the specified companies and have portfolio of hotels with significant expansion plans.

Income Approach - Discounted Cash Flows (DCF) Method

The DCF method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (or terminal value) in case of assets with indefinite life.

Using the DCF analysis involves determining the following:

- Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital — both debt and equity.

- Appropriate discount rate to be applied to cash flows i.e. the cost of capital:
  This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

Considering that DCF method is based on future potential of the business & is widely accepted, we have used DCF for the valuation of all the specified companies.

Cost Approach - Net Asset Value (NAV) Method

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominates earnings capability.

We have not used this method of valuation as all companies meet the "going concern" criteria.

Valuation Approach for Companies

We have used DCF methods for valuation of Hotel Suba Star, Zircon Hotels and Zircon Hospitality and Baroda Hotel Undertaking of Hotel Suba Palace.

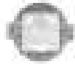
BASIS OF SHARE EXCHANGE RATIO

The fair basis of the Proposed Transaction would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. For the purposes of recommending a Fair Share Exchange Ratio it is necessary to arrive at a single value for each of the business' / subject companies' shares. It is however important to note that in doing so we are not attempting to arrive at the absolute equity values of the business' and / companies and / but at their relative values to facilitate the determination of a Fair Share Exchange Ratio.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by us and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single exchange ratio.

While we have provided our recommendation of the Fair Equity Share Exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Fair Equity Share Exchange ratio of the equity shares of the Companies. The final responsibility for the determination of the exchange ratio at which the proposed merger shall take place will be with the Board of Directors of the respective companies who should take into account other factors such as their own assessment of the Proposed Transaction and input of other advisors.

The Fair Share Exchange Ratio has been arrived at based on a relative equity valuation of Hotel Suba Star, Zircon Hotels, Zircon Hospitality and Baroda Hotel Undertaking of Hotel Suba Palace derived primarily using DCF method explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the companies, having regard to available information base, key underlying assumptions and limitations.



CONCLUSION

Based on the forgoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove:

Step 1:
Pursuant to the amalgamation of Zircon Hotels into Hotel Suba Star, we recommend the Fair Share Exchange Ratio to be 100 (One hundred) fully paid up Equity Shares of Face Value of INR 10 each of Hotel Suba Star for every 119 (one hundred and nineteen) fully paid up Equity Shares of Face Value INR 10 each held in Zircon Hotels. Please refer Annexure 1 for details.

Step 2:
Pursuant to the amalgamation of Zircon Hospitality into Hotel Suba Star, we recommend the Fair Share Exchange Ratio to be 100 (one hundred) fully paid up Equity Shares of Face Value of INR 10 each of Hotel Suba Star for every 58 (fifty eight) fully paid up Equity Shares of Face Value INR 10 each held in Zircon Hospitality. Please refer Annexure 2 for details.

Step 3:
Pursuant to the demerger, transfer and vesting of Baroda Hotel Undertaking of Hotel Suba Palace into Hotel Suba Star, we recommend the Fair Share Exchange Ratio to be 100 (one hundred) fully paid up Equity Shares of Face Value of INR 10 each of Hotel Suba Star for every 559 (five hundred and fifty nine) fully paid up Equity Shares of Face Value INR 10 each held in Hotel Suba Palace. Please refer Annexure 3 for details.

We would like to record our appreciation for the courtesy and co-operation received by us during the course of our work.

Yours faithfully,

SACHIN CHHADAWA
Registered Valuer
(Securities and Financial Assets)
Reg. No: IBBI/RV/03/2020/12899

Date: 29th March, 2021.
Place: Mumbai.

Annexure 1

The Computation of Fair Share Exchange Ratio as derived by us, for amalgamation of Zircon Hotels into Hotel Suba Star is given below:

Valuation Approach	Zircon Hotels		Hotel Suba Star	
	Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Market Approach				
Market Price Method	N.A.		N.A.	
Comparable Companies Method	N.A.		N.A.	
Income Approach	70.73	100%	83.91	100%
Cost Approach	N.A.		N.A.	
Relative Value per Share	70.73		83.91	
Exchange Ratio (Rounded off)	119		100	

Share Exchange Ratio
100 (one hundred) equity shares of Hotel Suba Star (Face Value of INR 10/- each fully paid up) for 119 (one hundred and nineteen) equity shares held in Zircon Hotels (Face Value of INR 10/- each fully paid up)

Annexure 2

The Computation of Fair Share Exchange Ratio as derived by us, for amalgamation of Zircon Hospitality into Hotel Suba Star is given below:

Valuation Approach	Zircon Hospitality		Hotel Suba Star	
	Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Market Approach				
Market Price Method	N.A.		N.A.	
Comparable Companies Method	N.A.		N.A.	
Income Approach	144.00	100%	83.91	100%
Cost Approach	N.A.		N.A.	
Relative Value per Share	144.00		83.91	
Exchange Ratio (Rounded off)	58		100	

Share Exchange Ratio
100 (one hundred) equity shares of Hotel Suba Star (Face Value of INR 10/- each fully paid up) for 58 (fifty eight) equity shares held in Zircon Hospitality (Face Value of INR 10/- each fully paid up)

Annexure 3

The Computation of Fair Share Exchange Ratio as derived by us, for demerger, transfer and vesting of Baroda Hotel Undertaking of Hotel Suba Palace into Hotel Suba Star, is given below:

Valuation Approach	Hotel Suba Palace		Hotel Suba Star	
	Value Per Share (INR)	Weights	Value Per Share (INR)	Weights
Market Approach				
Market Price Method	N.A.		N.A.	
Comparable Companies Method	N.A.		N.A.	
Income Approach	15.00	100%	83.91	100%
Cost Approach	N.A.		N.A.	
Relative Value per Share	15.00		83.91	
Exchange Ratio (Rounded off)	559		100	

Share Exchange Ratio
100 (one hundred) equity shares of Hotel Suba Star (Face Value of INR 10/- each fully paid up) for 559 (five hundred and fifty nine) equity shares held in Hotel Suba Palace (Face Value of INR 10/- each fully paid up)