
MEMORANDUM

AND

ARTICLES OF ASSOCIATION
EFFECTIVE 29.09.2016
OF

ASIAN HOTELS (NORTH) LIMITED

भारत सरकार—कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा
नाम परिवर्तन के पश्चात नया निगमन प्रमाण—पत्र

कॉर्पोरेट पहचान संख्या: L55101DL1980PLC011037

मैसर्स ASIAN HOTELS LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

ASIAN HOTELS LIMITED

जो मूल रूप में दिनांक तेरह नवम्बर उन्नीस सौ अस्सी को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स

ASIAN HOTELS LIMITED

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि. 507 (अ) दिनांक 24.6.1985 एस. आर. एन. A78393550 दिनांक 16/02/2010 के द्वारा प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स

ASIAN HOTELS (NORTH) LIMITED

हो गया है और यह प्रमाण—पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण—पत्र, मेरे हस्ताक्षर द्वारा दिल्ली में आज दिनांक सोलह फरवरी दो हजार दस को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, National Capital Territory of Delhi and Haryana
Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number: L55101DL1980PLC011037

in the matter of M/s ASIAN HOTELS LIMITED

I hereby certify that ASIAN HOTELS LIMITED which was originally incorporated on Thirteenth day of November Nineteen Hundred Eighty under the Companies Act, 1956 (No. 1 of 1956) as ASIAN HOTELS LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R. 507 (E) dated 24/06/1985 vide SRN A78393550 dated 16/02/2010 the name of the said company is this day changed to ASIAN HOTELS (NORTH) LIMITED and this Certificate is pursuant to Section 23(1) of the said Act.

Given under my hand at Delhi this Sixteenth day of February Two Thousand Ten.

Sd/-
(Sanjay Sood)

उप कम्पनी रजिस्ट्रार / Deputy Registrar of Companies
राष्ट्रीय राजधानी क्षेत्र दिल्ली एवं हरियाणा
National Capital Territory of Delhi and Haryana

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता

Mailing Address as per record available in Registrar of Companies Office:

ASIAN HOTELS (NORTH) LIMITED

Bhikaji Cama Place M.G. Marg, New Delhi - 110 066

Delhi, INDIA

Co. No. 11037



Certificate for Commencement of Business

व्यापार प्रारंभ करने का प्रमाण-पत्र

Pursuant of section 149(3) of the Companies Act, 1956.

कम्पनी अधिनियम १९५६ की धारा १४९(३) के अनुसरण में

I hereby certify that the ASIAN HOTELS LIMITED

मैं एतद द्वारा प्रमाणित करता हूँ कि एशियन होटल्स लिमिटेड

which was incorporated under the Companies Act, 1956 on

जो कि कम्पनी अधिनियम, १९५६ के अन्तर्गत पंजीकृत की गई थी दिनांक 22 कार्तिक, 1902

the THIRTEENTH day of NOVEMBER 1980

and which has filed a duly verified declaration in the

और जिस ने कि ~~अप्र~~ निर्धारित प्रपत्र में सत्यापित घोषणा पत्र प्रस्तुत

prescribed form that the conditions of section xxxxxxxxxxxxxxxx

कर दिया है कि उस ने धारा ~~१४६ (१) (क) से (ख)~~ / १४६ (२) (क) से (ग) तक

149 (2) (a) to (c) of the said Act, have been complied with, is entitled

को सभी शर्तों का अनुपालन कर दिया है, अतः व्यापार आरंभ करने की

to commence business.

अधिकारी है।

Given under my hand at NEW DELHI

मेरे हस्ताक्षर से आज दिनांक 24 पौष, 1902

this FOURTEENTH day of JANUARY

One thous and nine hundred and EIGHTY-ONE

को जारी किया गया।

Sd/-

Registrar of Companies

कम्पनी रजिस्ट्रार

Delhi & Haryana



प्रारूप० आई० आर०
From I. R.
निगमन का प्रमाण-पत्र
CERTIFICATE FOR INCORPORATION

सं० 11037 शक 1902
No. 11037 of 19..... 80-81

मैं एतद् द्वारा प्रमाणित करता हूं कि आज
..... एशियन होटल्स लिमिटेड

कम्पनी अधिनियम 1956 (1956 का I) के अधीन नियमित की गई है और यह
कम्पनी परिसीमित है।

I hereby certify that **ASIAN HOTELS LIMITED**

is this day incorporated under Companies Act, 1956 (No 1 of 1956) and that the
Company is limited.

मेरे हस्ताक्षर से आज ता० 22 कार्तिक, 1902 को दिया गया।

Given under my hand at **NEW DELHI** this **THIRTEENTH**
day of **NOVEMBER** One thousand nine hundred and **EIGHTY**

SEAL

Sd/-
। सुरज कपूर ।
कम्पनी रजिस्ट्रार
Registrar of Companies
Delhi & Haryana

THE COMPANIES ACT, 1956

(COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION

OF

ASIAN HOTELS (NORTH) LIMITED

- I. The name of the Company is Asian Hotels (North) Limited.
- II. The Registered Office of the Company will be situated in the Union Territory of Delhi.
- III. The Objects for which the COMPANY is established are:
 - (a) The Main Objects to be pursued by the Company on its incorporation are:-
 1. To acquire by purchase, lease, exchange hire or otherwise, lands, plots, buildings and hereditaments of any tenure or description situated in Union Territory of Delhi or elsewhere in the Indian Union and any estate or interest and rights therein in particular by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining hotels, motels, restaurants, dining rooms, bars, catering rooms, garages, stables, lodging houses, commercial buildings, farm house, warehouses, clubs, health clubs, dressing rooms, beauty Saloons, baths, laundry rooms, reading, writing and library rooms, indoor and outdoor play grounds and stadiums, swimming pools, theatre, opera and Cinema houses, museum and Art rooms video and other fun game rooms, race courses, meditation centres, boating clubs, flying clubs, freezing-hot-preservation and baking chambers and other apartments, showrooms, shops and conveniences of all kinds and by consolidating or connecting or subdividing properties and by leasing, hiring and disposing of same.
 2. To carry on the business of establishing and operating of hotels, restaurants, Inns, Cinemas, Cafe, tavern, beerhouse, refreshment room and lodging house keepers, licensed, victuallers, wine, beer and spirit merchants, brewers, maltsters, distillers, importers and manufacturers of aerated, mineral and artificial waters and other drinks, purveyors, caterers, whether in meals provided door or outdoor, carriage, taxi, motor car and motor lorry proprietors, livery stable keepers job masters, farmers dairymen, Ice merchants, importers and dealers of all kinds of foods and foodstuffs, vegetarian or non-vegetarian, live and dead stocks, whether half prepared, fully prepared or in raw form, colonial and foreign produce of all description, hotelware, hair dressers, perfumers, chemists, proprietors of clubs, night clubs, health clubs seminar fashion show and cultural programme, bath, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds, fun games, places of amusement, recreation, sports, games entertainments and instruction of all kinds, tobacco, cigar and cigarettes merchants, agents for railways, roadways, airways and shipping companies and transporters and carriers, the article and opera box office, proprietors.
 3. To act as consultants, managers, operators, advisers, planners, valuers to and impart technical know in the field of planning construction, operation of hotels, restaurants, recreation entertainment centres and in the field of tourism industry whether in India or abroad.
 - *4. To subscribe for, acquire, hold, sell and otherwise deal in shares, stock, debentures, debenture-stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any Company (body corporate or

* Added vide Special Resolution passed in the Annual General Meeting held on 28th August, 2001.

undertaking) of whatever nature and wheresoever constituted or carrying on business in shares, stocks, debentures, debenture-stock, bonds, mortgages, obligations and other securities issued or guaranteed by any government, sovereign, ruler, commissioner, trust, municipal, local or other authority or body of whatever nature, whether in India or elsewhere.

- (b) Objects incidental or ancillary to the attainment of the main objects are:-

INCIDENTAL OBJECTS

1. To establish, develop, maintain, subsidise and aid in the establishment, development and maintenance of laboratories research stations and programme for the purpose of effecting improvement of basic foundation stocks of birds, seeds, poultry-seed and any other business which this Company is competent to carry on.
2. To buy, sell, manufacture, refine, manipulate, import, export and deal in all substances, hotelwares, equipments, machinery, materials, food-stuffs, drinks, live or dead stock perfumes, apparatus and things capable of being used in any such business as mentioned herein, or required by customers of, or persons having dealing with the Company.
3. To manufacture, import, instal, work, store, maintain, improve, manipulate, prepare for market, barter, alter, repair, exchange, hire, export, import, process, assemble and deal in all kinds of articles and things including all kinds of plants and machinery, tools, wagons, rolling stock, apparatus, components, parts, fittings, implements, accessories, utensils, substances, goods, materials, stores-consumable or otherwise, chattels and effects, used in connection therewith in any way whatsoever, which may be required for the purposes of any of the business of the Company or are commonly supplied or dealt with by persons engaged in any business or which may seem capable of being profitably dealt with in connection with any of the business of the Company.
4. To acquire, establish, construct and maintain railwaysiding, buildings, yards, wells, tubewells, water reservoirs, infiltration-galleries, purification plants, air conditioning plants, swimming pools, landing grounds, hangers, garages, stores, sheds and accommodations of all description or connected with the business of the Company.
5. To purchase or otherwise acquire any interest in any inventions, processes, letters, patent brand invention, licenses, concessions, rights and privileges, subject to royalty or otherwise and, whether exclusive or limited, whether in India or in any other part of the world, for the purposes of the Company.
6. To tender technical, commercial, educational, management, or other type of consultancy services, to render partial or complete guide, and complete services to persons and institutions working or engaged in any activity either in India or abroad.
7. To enter into agreements with authors or assignees of the copy rights in respect of any film, stories, operas, operettas, burlesques, dramas, compositions, musical performances, songs, records, ballots or other musical, dramatic performances or to acquire temporarily or permanently such rights and interest for the purpose of the Company and to carry out researches and investigations and experiments in relation to musical instruments.
8. Subject to the provisions of section 58A and 293 of the Companies Act, to borrow or receive money on deposits either with or without security or secured by debentures, debenture-stock (perpetual or otherwise) mortgage or other security charged on the undertaking or on all or any of the assets of the Company including its uncalled capital and collaterally or further to secure any securities of the Company by a trust deed or any other assurance on such terms and conditions as may be deemed fit, and to invest or land money on security or otherwise to any Company, partners, associations or persons and to deposit money on interest or otherwise in any other form with any person, firm or corporation as the directors may think fit and open accounts, over draft, cash credit, term loans and to keep fixed and other deposit with banks, loan offices and other concerns.
9. Subject to the provisions of any law for the time being in force, to do the business of money changers, currency changers and to deal in foreign exchange, either in cash or traveller's cheques.
10. To support, maintain and grant aid or subsidy or stipend, or scholarship or such other allowances to the trainees who need such help.
11. To acquire from any person, firm or body corporate or unincorporate, whether in India or elsewhere, technical information, know-how, processes, engineering, manufacturing and operating data, plans, layout and blueprints, useful for the design, erection and operation of plant required for any business of the Company and to acquire any grant or license and other rights and benefits in the foregoing matters and things.
12. To purchase, acquire and undertake all or any part of the business, property and liabilities of any person, or Company carrying on or proposing to carry on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company.
13. To pay for any property, rights or privileges, acquired by the Company or for the services rendered or to be rendered in connection with the promotion or the business of the Company or for acquisition of any property for the Company or otherwise either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and to issue any shares either as fully paid up or with such amount credited as paid up thereon, as may be agreed upon

and to charge any such bonds, debenture or other securities upon all or any part of the property of the Company. While so doing the Company shall comply with all requirements of law for the time being in force.

14. To sell, exchange, mortgage, let on lease, royalty or tribute, grant licences, easements, options and other rights over and in any other manner deal with or dispose of the whole or any part of the undertaking, property, assets, rights and effects of the Company for such consideration as may be thought fit and in particular for stocks, share whether fully or partly paid up, or securities of any other Company.
15. To sell subject to any rights, concession or licences obtained or contracts entered into an generally to sell the whole or any part of the property and business of the Company for case or for shares where fully paid up or not, debentures, or securities of another Company or partly in cash or partly in such shares, debenture, or securities as are distributed in specie amongst the members or otherwise.
16. To pay out the Company's funds the cost of underwriting expenses and expenses incurred in connection with the matters preliminary and incidental to the formation, promotion and incorporation of this Company and the costs, underwriting expenses, brokerage on issue of shares or debentures, incentives and expense incurred in connection with all matters preliminary and incidental to the formation and incorporation and of any Company which may be promoted by this Company and underwrite the shares or debentures issued by any such Company.
17. To remunerate any person or Company for services rendered or to be rendered in placing or assisting to place, or guaranteeing the placing of, any of the shares of the Company's capital or debenture, debenture stock, or other Securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
- *18. To subscribe for, acquire, hold, sell and otherwise deal in shares, stock, debenture-stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any Company (body corporate or undertaking) of whatever nature and wheresoever constituted or carrying on business in shares, stocks, debentures, debenture-stock, bonds, mortgages, obligations and other securities issued or guaranteed by any government, sovereign, ruler, commissioners, trust, municipal, local or other authority or body of whatever nature, whether in India or elsewhere.
19. To guarantee the performance of any contract or obligation of and the payment and repayment of money or of dividends and interest or premiums payable on any stocks, shares or securities of any Company, corporation, firm or person in any case in which such guarantee may be considered likely directly or indirectly to further the objects of the Company or the interests of its shareholders.
20. To apply for, purchase or otherwise, acquire and protect, prolong and renew in any part of the world any patents, patent rights, brevets d'invention, trade mark, designs, licences, protections, concessions, monopolies and the like conferring any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention, process or privilege which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licences or privileges in respect of or otherwise turn to account, the property, rights and information so acquired and to carry on any business in any way connected therewith.
21. To expend money in experimenting on an testing and improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or which the Company may acquire or propose to acquire.
22. To establish, provide, maintain and conduct research or and other laboratories, training colleges, schools and other institution for the training, education and instruction of students and others who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, classes, meetings and conferences in connection therewith.
23. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops, for scientific and technical research and experiments, to undertake and carry on scientific and technical researches, experiments and test of all kinds, to promote studies and researches, both scientific and technical, investigations and inventions by providing, subsidising, endowing, or assisting laboratories, workshop, libraries, lectures, meetings and conferences and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.
24. To insure with any other Company, firm or persons against losses, damages and risks of all kinds which may effect the Company, provided that nothing herein contained shall empower the Company to carry on the business of life, assurance, accident assurance, fire assurance, employee's liability assurances, industrial assurances, motor assurances or any business of insurance or reinsurance within the meaning of the Insurance Act, 1938, or any Act amending, extending or re-enacting the same.
25. To invest moneys of the Company not immediately required in such investments (other than shares or stock in the Company) as may be thought proper and to hold, sell or otherwise deal with such investments.

* Deleted vide Special Resolution passed in the Annual General Meeting held on 28th August, 2001

26. To procure the registration or recognition of the Company in/or under the laws of any place outside India.
27. To open any kind of account in any bank and to draw, make, accept, endorse, discount, negotiate, execute and issue bills of exchange, promissory note, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities.
28. To engage, employ, suspend and dismiss executive, engineers, agents, managers, superintendents, assistants, clerks, coolies, and other servants and labourers and to remunerate any such person at such rate as shall be thought fit, to grant bonus compensation, pension or gratuity to any such person or to his widow or children and generally to provide for the welfare of all employees and to send them any where for training.
29. To form, incorporate or promote any Company or Companies, whether in India or elsewhere, having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the Company or any other objects which in the opinion the Company in the management of its business or the development of its properties or otherwise prove advantageous to the company and to all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in obtaining subscription for or placing or assisting to place or to obtain subscriptions of or for guaranteeing the subscription of or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of any other Company held or owned by the Company or in which the Company may have an interest or in or about the formation or promotion of the Company or the conduct of its business or in or about the promotion or formation of any other Company in which the Company may have an interest.
30. To erect and construct houses, buildings works or offices and show rooms of every description on any land of the Company or upon any other land or property, and to pull down, rebuild, enlarge, alter and improve existing houses, buildings or works thereon, to convert and appropriate any such land into and for swimming pools, roads, streets, squares, gardens and other conveniences, and generally to deal with and improve the property of the Company or any other property.
31. To enter into any arrangements and to take all necessary or proper steps with Governments or with other authorities supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or effecting any modification in the constitution of the Company subject to the provisions of the Companies Act, 1956, or furthering the interests of its members and to oppose any such steps taken by any other Company, firm or person which may be considered likely directly or indirectly to prejudice the interest of the Company or its members and to promote or assist the promotion, whether directly or indirectly, of any legislation which may appear to be in the interests of the Company and to oppose and resist, whether directly or indirectly, any legislations which may seem disadvantageous to the Company and to obtain from any such Government authority or any Company, any charters, contracts, decrees, rights, grants, loans, privileges or concessions which the Company may think it desirable to obtain and carry-out exercise and comply with any such arrangement, charters, contracts, decrees, rights, privileges or concessions.
32. To amalgamate or to enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint-venture, licence, or reciprocal concession or for limiting competitions with any person or persons or Company or Companies carrying on or engaged in, or about to carry on or engage in, or being authorised to carry on.
33. To apply the assets of the Company in any way in or towards the establishment maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce generally and particularly with the trade, including any association, institution or fund for the protection of the interest of masters, owners and employers against loss by bad debts, strikes, combinations, fire, accidents or otherwise or for the benefit of any clerks, workmen or others at any time employed by the Company or any of its predecessors in business or their families or dependants and whether or not in common with other persons or classes of persons and in particular of friendly, co-operation and other societies reading rooms, libraries, educational and charitable institutions, refectories, dining and recreation rooms, places of workshops, schools, hospitals, residential buildings, bungalows, hotels, offices, warehouses, godowns, structures, erections, parks, gardens, and to grant charities, gratuities, pensions and allowances and to contribute to any funds raised by public or local subscriptions for any purpose whatsoever and to farm, cultivate and otherwise develop the lands for the Company or in possession of the Company.
34. To subscribe, contribute or otherwise to assist or guarantee money for any national, charitable, benevolent, public, general or useful object or for any exhibitions or subject to the provision of the Companies Act, 1956, for political purposes.
35. To take over alongwith all rights and liabilities all the contracts and agreements entered into by the promoters of the Company during its pre-incorporation period, for and on behalf of the Company, whether in the name of the Company or in their own names and to compensate and reimburse them for all payments made and expenses incurred by

them, on behalf of the Company during its pre-incorporation period.

36. To generally deal with and improve the property of the Company or any other property.
37. To manage lands, buildings, houses and any other property belonging to the Company and to collect rents and income and supply to tenants and occupiers of all kinds of conveniences and advantages in connection with the business of the Company.
38. To institute and to defend any suit, appeal, application for review or revision or any other application of any nature whatsoever, to take out executions, to enter into agreements of reference to arbitration and to enforce and where need be to contest any awards and for all such purposes to engage or retain counsels, attorneys and agents and when necessary to remove them.
39. To do all such other things in any part of the world as may be deemed incidental or conducive to the attainment of the above main objects or any of them and to carry on any other trade of a character similar or analogous to the trade or business herein before mentioned, or which may seem to the Company to be capable of being conveniently and / or profitably carried on in connection therewith.

OTHER OBJECTS

1. To carry on the business as vegetable and fruit merchants, cold storage proprietors, vegetables and fruit growers and to buy, sell, prepare for market manipulate, export and deal in foods, vegetables and fruits of all kinds.
2. To maintain, run, acquire or take over dairy farm, poultry farms, and farms gardens of all kinds and descriptions, and to deal in all types of garden produce and its products and by-products and in particular milk cream, butter, cheese, condensed milk and allied products and preparation, poultry, eggs, sea-food, fruits and vegetable of all types.
3. To carry on the business of cold storage, refrigerating, cooling, dehydrating, preserving, canning of any products on Company's own account or as contractors for any Government other authority, Companies or individuals.
4. To carry on the business of concerns and preservers, growers, dealers in fruits, vegetables, herbs, medicines, flowers, drinks, fluids, gas and other fresh and preservable products and erect by-products and derivatives, whether edibles, pharmaceuticals, medical or any other kind or nature whatsoever and food preparation of every kind and generally to carry on the manufacture of an trading in jams, jelleys, pickles, cidars, chutney, maralades, vinegars, sausages, ketchups, juices powders, drinks, squashes, syrups, beverages, gelatins, essence, ice-creams, milk and milk preparation, meat, fish, eggs and preserved, dehydrated, canned or converted fruits and vegetables, provisions, foods and articles of all kinds and set up machinery for the same.
5. To manufacture, assembly, produce, work, distribute, buy, sell or otherwise deal in all kinds of lathes, shapers, drillers, grinders, boring machine, slotters, milling machines, scientific and precision instruments.
6. To carry on business as general merchants, contractors, commission agents, order, suppliers, storekeepers, representatives, canvassing agents, advertising agents, propaganda agents and for any of the articles or things needed in the hotel building trade and generally of all things articles and goods.
7. To carry on business of carriers by land, water shipping agents, travel agents or manufacturers, mineowners, mercantile agents and any kind of commercial, financial and agency business.
8. To carry on the business of selling, marketing, distributing and establishing agencies.
9. To buy, sell, import, export, manipulate, treat, prepare and deal in merchandise, commodities and articles of all kinds and generally to carry on business as merchants, importers and exporters.
10. To carry on the business of selling, marketing, distributing and establishing agencies.
11. To purchase, breed, rear, sell, import, improve and trade in cattles, horses, pigs, sheeps, goats, birds, poultry, fish and other sea foods of every description and to carry on the business of cattle rearers, sheep farmers, poultry farmers, graziers, dealers in eggs, meat, milk, tanners, hides, fats, tallow, grease, offal and other animal products.
12. To prepare stables, dens sheds, kennels, nests, burrows and other dwelling places for keeping animals, birds and other live stocks either own or other's for improving their breeds and safe custody.
13. To carry on the business of tourists, travel agents, travel guides and carriers of passengers or goods, both in public conveyance and in private vehicles by land or by water by airways, rope ways and to deal, own or hire vehicles, air-crafts, charter-planes, ships engines and other necessary allied machinery and equipments.
14. To carry on the business of manufacturers, producers, processors, importers, exporters and dealers in milk, cream, butter, ghee, cheese, condensed milk, malted milk, milk powder, skimmed milk powder, whole milk powder, ice-cream milk food, baby foods, infants, foods, invalids, goods and milk products and preparations of all kinds, soya milk and its products, Soyabean based foods and sweets, biscuits, cakes, pastries, confectionery, sweets, chocolates, toffees, dietic products cereal products table delicacies and food stuffs of all kinds.
15. To carry on the business of all kinds of farming (agriculture, poultry, horticultural and dairy) and gardening and raising, preserving, dealing and trading in all kinds of products of such business.

16. To acquire, collect, gather and cook preparations and all varieties of sea food like prawns, Shrimps, lobsters, pomfrets, sharks and other sea products and to prepare and process them by using operation such as freezing, filtering, skinning, meat picking, drying, boiling etc. and also pack prepare the same for sale and delivery in export and/or internal markets.
17. To carry on the business of breweries- distilleries, shop merchants, restaurant keepers, malt factors, corn merchants and dealers in all essential materials required in the manufacture and process of malt products, flavoured drinks, nectors, punch vinegar, acetic acid, glucose, mustard, pickles, sauces and other food stuffs of allied nature.
18. To carry on the business of manufacturers, assemblers, fabricators and dealers, of all kinds of electric lamps, lumino's electrical signs, devices, ornamental and decorative work, electrical, mechanical and other advertising signs, material for electrical and other illumination work, and other articles, instruments required of capable of being used for or in connection with wires, signalling, lighting, heating, exchanges, accumulators, dynamos, switching, regulating and controlling apparatus.
19. To manufacture, produce, process, procure, fabricate, assemble, purchase, sell, import, export and otherwise deal in all types of cold storage machinery, refrigeration and air-conditioning plant, machinery, air and gas treatment plants, air filters, air curtain, booths and complete system of all kinds and description relating to air technology, alarm, controllers, electrical and electromechanical accessories, gadgets, games and toys of all descriptions along with their components, devices and materials used in their manufacture or use and other allied products and to undertake and execute any contracts for works involving the supply or use of any machinery or equipment specified above .
20. To produce, manufacture, refine, treat, cure, process, prepare, import, export, purchase, sell and generally deal in all kinds of tiles, ceramic ware, glass and glass wares, insulators, cement and cement products, building materials, plastic and plastic wares, vinyl ware, adhesives, fire bricks, fire clay, terracotta, fibre glass ware, crockery, table ware, hotel ware, decorative ware, garden ware, earthenware, bathroom accessories and generally deal in other products which may come out as by-products or which may be essential for fitting or fixing above products.
21. To manufacture and deal in furniture and fixtures and undertake the contracts as interior decorators, designers, house or office furnishers, and dealers in and hirers, repairers and warehousers or carpets, linoleums and other furnishing requisites of all types and to carry on business of drapers and dealers in furnishing fabrics, exporters and importers of handicrafts, handloom fabrics, art goods and other articles of similar and allied nature.
22. To compose, print, lithograph or by block making or engraving or by other means, musical pieces, plays, openings, programmes of other devices for amusements and entertainment. To make, manufacture, purchase, import, sell, export, hire film records or other material for recording songs, poems or other piece of entertainment or print or publish books, pamphlets, periodicals, magazines, journals etc.
23. To carry on business of manufacturers, dealers, assemblers, importers and exporters of tape recorders, sound recording equipments, all kind of metallic toys, mechanicals toys, dolls, plastic and wooden toys, musical toys, educational games and toys walking and talking toys, electric and battery operated toys and parts thereof.
24. To act as recognised Export house and export agents and representatives to stockists, products, processing units and units engaged in village, industries, cottage industries, small and medium industries of Indian origin or foreign units.
25. To lend money and negotiate loans of every type, and to carry on the hire purchase and finance business of all articles.
26. To purchase, erect or otherwise acquire, establish and equip, act as collaborators, technicians, financiers of any other hotel or restaurant in India or abroad.
27. To act as agents of any hotel, restaurant/Company or as buying selling agents of any hotel, restaurant/Company and to do and perform all and singular the several duties, services and offices, which the agents, buying and selling agents of any hotel, restaurant/Company usually do and perform and undertake and become bound by conditions of any agreement or agreements entered into for any of the purpose aforesaid.
28. To provide lodging and boarding, cars, taxis, medical and other facilities to members of delegations and missions from foreign countries, and to encourage and carry on and facilitate tourist trade in India.
29. To carry on the business of dealers in textile goods, perfumery, silken and woollen garments, novelties, ivory and other goods and as general merchants, hairdressers, perfumers, chemists, proprietors of clubs, health clubs, baths, dressing rooms, proprietors of conducting of safe deposit vaults and night clubs.
30. To carry on business as bakers and manufacturers of and dealers in bread, flour, rawa, maida, biscuits, cakes and farinaceous compounds and materials of every description.
31. To carry on the business of an dealers in boots, shoes, clogs, all kinds of footwear and leather and plastic goods, boots, laces, buckles, legging, boot polish and accessories and fittings.
32. To purchase, manufactures, treat, import, sell, export, let on hire, alter or otherwise deal with either as principals or agents either solely or in partnership, sewing, coughing button holding and sticking, cutting machines of all kinds,

snap buttons, pins and allied materials, tools and machinery.

33. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social, economic welfare of, or the uplift of the public in any rural areas and to incur and expenditure on any programme, of rural development and to assist execution and promotion thereof either directly or through an independent agency, or in any other manner. Without prejudice to the generality of the foregoing, "programme of Rural Development" shall also include any programme for promoting the social and economic welfare of the uplift of the public in any rural area which the Directors consider it likely to promote and assist rural development and that words- "Rural Area" shall include such areas as may be regarded as rural areas under Section 35 CC of the Income Tax Act 1961, or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and Directors may at their discretion, in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to/or in favour of any public or local body or authority or Central or State Government or any public institutions or trust or funds as approved by the Central Government or State Government or any other appropriate authority.
34. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public and also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means as the Directors may think fit, and the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for publishing of any books, literature, newspapers, etc. or for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarships, loans or any other assistance, to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institutions, funds, trust etc. having any one of the aforesaid objects as one of the objects by giving donations or otherwise in any other manner, and the Directors may at their discretion, in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State Government or any public institutions or trusts or funds as approved by the Central Government or State Government or any other appropriate authority.
35. To acquire by purchase, lease, exchange, hire or otherwise, lands, plots, estates, buildings and property or any interests or rights in the same, develop and turn the same to account as may seem expedient and in particular by laying out and preparing the same for constructing, reconstructing, building, re-building, altering, redesigning, improving, decorating, furnishing and maintaining hotels, motels, clubs, commercial buildings, office blocks, flats and apartments, residential houses and flats, showrooms, shopping arcades, cinemas, factories, farm houses, warehouses, wharves and conveniences of all kinds and consolidate, connect, subdivide, lease, exchange, hire, sell or dispose of the same.
36. To carry on the business of installation, fabrication and manufacturing of all types of office machinery, office equipments, components, data processing machine, punch cards, computer tapes, office gadgets and tools whether electrical or electronic, automatic, semi-automatic or manually operated and to act as buyers, sellers, repairers, service engineers, consultants, importers, exporters and dealers in all such office machines and equipments.
37. To carry on the business as repairs and service workshops for auto-motors, lorries, buses, mini-buses, auto-cycles, mops and other vehicles and other engines whether diesel operated or petrol operated or operated by some other motive power and to fabricate, buy sell, import, export and generally to deal in the auto vehicles and auto spare parts, tools, components and other parts of auto industry.
- *38 To carry on the activity and/or business of power generation by undertaking projects / installation of windmills, wind turbine generators, solar energy generators or any other eco-friendly power generation systems using resources – natural or otherwise; distribution, transmission, sale, purchase, barter and / or deal in power / electricity; and to purchase, acquire, lease, hire or procure in any manner whatsoever land, plants, machinery, equipments, transmission systems, sub-stations or the like to undertake any of the above activities.

IV THE LIABILITIES OF THE MEMBERS IS LIMITED

- **V The authorised share capital of the Company is Rs. 70,00,00,000 (Rupees Seventy crores only) divided into 4,00,00,000 (Four crore) equity share of Rs.10/- each (Rupees Ten) each, aggregating to Rs.40,00,00,000 (Rupees Forty crores only) and 3,00,00,000 (Three crore) preference shares of Rs.10/- (Rupees Ten) each aggregating to Rs.30,00,00,000 (Rupees Thirty crores only).

* Inserted w.e.f.18th January, 2008 vide Special Resolution passed by means of Postal Ballot

** Altered vide Special Resolution /Ordinary Resolutions passed in the Extra-ordinary General Meetings/ 14th Annual General Meeting held on 17th June, 1981, 11th September, 1995 and 25th June, 2007 respectively.

We, the several persons whose names and addresses are subscribed hereto are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in Capital of the Company set against our respective names:-

| S.No. | Name, address, decription and occupation of subscribers | No. of shares taken by each subscriber | Signature of subscribers | Signature, names, address, descriptions and occupations of witness to the signatures of subscribers. |
|-------|--|---|--------------------------|--|
| 1 | Ram Gopal Saraf (Business) S/o. Late Sh. Durga Dutt Saraf H-34, Green Park Extn., New Delhi | One hundred equity shares of Rs. Ten each | Sd/- | <p style="text-align: center;">Witness to all Signatures of Subscribers sd/- (YASH BARRY) F.C.A. S/o. Sh. Kedar Nath Barry & Company Chartered Accountants 1687 Arya Samaj Road, Karol Bagh, New Delhi</p> |
| 2 | Sham Sunder Saraf (Business) S/o Late Sh. Durga Dutt Saraf H-34, Green Park Extn., New Delhi | One hundred equity shares of Rs. Ten each | Sd/- | |
| 3 | Naresh Chand Jain (Business) S/o. Late Sh. Faquir Chand Jain H-34, Green Park Extn., New Delhi | One hundred equity shares of Rs. Ten each | Sd/- | |
| 4 | Maj. Shiv Lal Chhibber (Business) S/o. Mehta Hans Raj Chhibber H-63, N.D.S.E I New Delhi | One hundred equity shares of Rs. Ten each | Sd/- | |
| 5 | Sushil Kumar Gupta (Business) S/o. Sh. Chaman Lal Gupta E-71, Kirti Nagar New Delhi | One hundred equity shares of Rs. Ten each | Sd/- | |
| 6 | Vineeta Gupta (Business) W/o. Sh. Sushil Kumar Gupta E-71, Kirti Nagar New Delhi | One hundred equity shares of Rs. Ten each | Sd/- | |
| 7 | Piara Lal Gupta (Business) S/o. Late Sh. Ram Rattan Gupta E-71, Kirti Nagar New Delhi | One hundred equity shares of Rs. Ten each | Sd/- | |

New Delhi

Dated 29th day of October, 1980

Note: In pursuance of Section 391 (4) of the Companies Act, 1956 (the Act), Order dated 13th January, 2010 of the Hon'ble High Court of Delhi, under Section 394 of the Act, sanctioning the Scheme of Arrangement & De-merger is attached after the Articles of Association of the Company.

THE COMPANIES ACT, 2013
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION*
OF
ASIAN HOTELS (NORTH) LIMITED

I PRELIMINARY

1. The marginal notes and headings given in these presents shall not affect the constructions hereof and in these presents unless the context otherwise requires.
 - (i) "The Act" means the Companies Act, 2013 and such provisions of the Companies Act, 1956, which are in force at the relevant time;
 - (ii) "The Articles of Association" means these presents or any amendments or modifications thereto;
 - (iii) "The Board of Directors" or "the Board" means the collective body of Directors of the Company for the time being;
 - (iv) "The Company" means "Asian Hotels (North) Limited";
 - (v) "the Committee" means a duly constituted committee of Directors as may be formed / constituted by the Board of Directors from time to time;
 - (vi) "Directors" mean the Directors of the Company for the time being;
 - (vii) "Dividend" includes any interim dividend;
 - (viii) "Debenture" includes debenture stock;
 - (ix) "Member" means a person who agrees in writing to become a member of the Company and whose name has been entered in the register of members of the Company, every person holding shares of the Company and whose name is entered as a beneficial owner in the records of a depository, and includes the subscribers to the Memorandum of the Company;
 - (x) "Month" means calendar month;
 - (xi) "The Office" means the Registered Office of the Company for the time being;
 - (xii) "Person" or "Persons" include Corporation;
 - (xiii) "The year" means the financial year of the Company;
 - (xiv) "In writing" and "written" include typing, printing, lithography and other modes of representing or producing words in a visible form;

* This new set of Articles of Association was adopted by the Company vide special resolution passed by the shareholders at the 35th Annual General Meeting held on 29th September, 2016

- (xv) Words importing the singular number also include the plural number and vice versa;
- (xvi) Words importing the masculine gender also include the feminine gender;
- (xvii) "Auditors" mean and include those persons appointed as such for the time being of the Company;
- (xviii) "General Meeting" means a meeting of the members of the Company;
- (xix) "Annual General Meeting" means a meeting of the members held in accordance with the provisions of Section 96 of the Act;
- (xx) "Rules" means rules framed under the Act.

Words and expressions contained in these Articles, if not inconsistent with the subject or context thereof, shall bear the same meaning as in the Act.

2. The Regulations contained in Table "F" in Schedule I of the Companies Act, 2013, shall not apply to the Company.

II CAPITAL

(1) SHARES

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| 3. | | The authorised share capital of the Company is Rs.70,00,00,000 (Rupees Seventy Crore only) divided into 4,00,00,000 (Four Crore) equity shares of Rs.10/- (Rupees Ten) each, aggregating to Rs.40,00,00,000 (Rupees Forty Crore only) and 3,00,00,000 (Three Crore) preference shares of Rs. 10/- (Rupees Ten) each aggregating to Rs.30,00,00,000 (Rupees Thirty Crore only) with power to the Company to increase or reduce the same, to divide the shares in the capital of the Company for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with these Articles and to modify or abrogate any such rights, privileges and conditions in such manner as is for the time being provided under the Act and/or the Articles of the Company, to consolidate or subdivide these shares and to issue shares of higher or lower denomination. |
| 4. | Preference Shares | Subject to the provisions of Section 55 and other applicable provisions of the Act, the Company shall have the power to issue preference shares as per the provisions of the Act and Rules made thereunder. The preference shares may be redeemable, convertible, non-convertible, cumulative, non-cumulative, or combination thereof or any other mode of preference shares which are allowed as per the provisions of the Act and Rules made there-under and the resolution authorising such issue shall prescribe the manner, terms and conditions of issuance or allotment of preference shares. |
| 5. | Allotment of shares | Subject to the provisions of these Articles, the Shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and such times as the Directors think fit and with the power to issue any shares as fully paid up for consideration other than cash. Provided where the Directors decide to increase the issued capital of the Company by the issue of further shares, the provisions of Section 62 of the Act shall be complied with. The Directors with the sanction of the Company in a General Meeting shall have full power to give to any person the right to call for the allotment of any shares either at par or at |

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| | | a premium and for such consideration as the Directors think fit. |
| 6. | Powers also to Company in General Meeting to issue Shares | In addition to and without derogating from the powers for that purpose conferred on the Board under Article 5, the Company in a General Meeting may, subject to the provisions of Sections 42 and 62 of the Act determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par as the General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par, such option being exercisable at such times and for such consideration as may be directed by such General Meeting and may make any other provision whatsoever for the issue, allotment or disposal of any shares. Such issue and allotment of equity shares will be treated as issue and allotment of equity shares on private placement basis or preferential basis or a combination thereof. |
| 7. | Power to issue shares at a premium | Subject to the provisions of the Act and these Articles, it shall be lawful for the Company to issue shares at a premium. |
| 8. | Power to pay commission for placing shares, debentures | The Company may, subject to compliance with the provisions of Section 40 of the Act, exercise the power of paying commission on the issue of shares and debentures or debentures stock of the Company. |
| 9. | Power to pay brokerage | The Company may pay a reasonable sum by way of brokerage. |
| 10.(a) | Trust not recognised | Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as, by law required, be bound to recognise any trust, benami or equitable or other claim to or interest in such share on the part of any other person or any interest in any fractional part of a share whether or not it shall have express or other notice thereof. |
| (b) | | Notwithstanding anything contained herein, where any declaration is made to the Company, |

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| | | the Company shall make a note of such declaration in its Register of Members. |
| 11. | Who may be registered holder | Subject to the provisions of Article 19(a), shares in the Company may be registered in the name of any person, company or other body corporate either singly or jointly. |

(2) ALTERATION OF SHARE CAPITAL

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| 12(a). | Increase of share capital | The Company shall have power to alter the conditions of the memorandum relating to share capital in terms of Section 61 and other applicable provisions of the Act. |
| (b) | Further Issue of Shares | Where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, the same shall be done in pursuance of Section 62 and other applicable provisions of the Act, provided that, if the shares are issued in pursuance of Section 62(1)(a) of the Act, the offer to subscribe for shares shall include the right to renounce the shares so offered in favour of any other person. |
| (c) | Preferential Issue / Private Placement | The Company may also issue further shares on Private Placement basis and / or on Preferential basis in terms of Sections 42, 62 and other applicable provisions of the Act. |
| (d) | Consolidation and division of shares | The Company may consolidate and divide all or any of its share capital into shares of larger / smaller amount than the existing shares. |
| (e) | Sub-division of shares | The Company may sub-divide its shares or any of them into shares of smaller amount than is fixed by the memorandum so, however, that in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived. |
| (f) | Cancellation of shares | The Company may cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares as cancelled, provided however that the cancellation of shares in pursuance of the exercise of this power shall not be deemed to be a reduction of share capital within the meaning of the Act. |
| 13. | Surrender | Subject to the provisions of Section 66 of the Act, the Board may accept from any member, the surrender of all or any of his shares on such terms |

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| | | and conditions as shall be agreed. |
| 14.(a) | Reduction of share capital | <p>The Company may, from time to time, subject to the provisions of Section 66 and other applicable provisions of the Act, by a Special Resolution and subject to confirmation by the Court / Tribunal, reduce its share capital in any way, and in particular and without prejudice to the generality of the foregoing power, may –</p> <ul style="list-style-type: none"> (i) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel any paid up share capital which is lost or unrepresented by available assets; or (iii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; <p>and, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.</p> |
| (b) | | <p>Capital may be paid off on the footing that it may be called again or otherwise and paid-up capital may be cancelled as aforesaid without reducing the nominal amount of the shares by the like amount to the intent that the unpaid and callable capital shall be increased by the like amount. The Directors shall whenever the capital of the Company is reduced, duly comply with the provisions of Section 66 and other applicable provisions of the Act.</p> |

(3) VARIATIONS OF SHAREHOLDERS' RIGHTS

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| 15.(a) | Alteration of rights to any class of shares how affected | <p>If at any time the share capital is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the issued shares of that class.</p> |
| (b) | Provision relating to general | <p>Subject to Section 103 and other applicable provisions of the Act or any statutory modifications thereof, the provisions of these</p> |

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| | meetings how far applicable to meetings of different classes of shareholders | Articles relating to general meetings of members shall apply mutatis mutandis to every such separate general meeting of different classes of shareholders but so that the necessary quorum shall be two members personally present and holding or representing proxy at least one-third of the issued shares of the class in question. |
| 16. | Buy Back of Shares | The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 68 of the Act and other applicable laws, if any. |

(4) CERTIFICATE OF SHARES

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| 17. | Certificate | The certificates of title to shares or duplicates thereof, when necessary, shall be issued under the Common Seal, if any, of the Company which shall be affixed in the presence of, and signed by such persons as may be required under Section 46 of the Act. |
| 18. | Member's right to certificate | <p>Every member shall be entitled to, free of charge, one certificate for all the shares of each class, registered in his name, or if the Board or Committee, so approves to several certificates each for one or more of such shares.</p> <p>The Company may charge a fee not exceeding Rs. 50/- (Rupees Fifty only) per share certificate issued in lieu of any existing share certificate which is defaced, mutilated, torn, old, decrepit, worn-out or issued due to subdivision / consolidation / duplicate certificate for loss of shares etc. as provided in terms of Rule 6 of the Companies (Share Capital and Debenture) Rules, 2014, as the Board may decide from time to time.</p> |

(5) JOINT HOLDERS OF SHARES

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| 19. | Joint holders of shares | Where two or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint-holders with benefit of survivorship, subject to the provisions following and to other provisions of these Articles relating to joint-holders. |
| (a) | Maximum | The Company shall not be bound to register |

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| | Number | more than three persons as the joint-holders of any shares. |
| (b) | Liability-several as well as joint | The joint holders of share shall be liable severally as well as jointly in respect of all payment which ought to be made in respect of such share. |
| (c) | Survivors of joint-holders only recognised | On the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such shares but the Board may enquire such evidence of death as it may deem fit. |
| (d) | | Only the person whose name stands first in the Register as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share and for receipt of dividends, and notices and other communications from the Company. |

(6) CALL ON SHARES

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| 20. | Calls | The Board may, from time to time, subject to the terms on which any share may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Board. A call may be made payable by instalments. |
| 21. | When call deemed to have been made | A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. |
| 22. | | Not less than 30 days notice of any call shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that before the time for payment of such call, the Board may by notice in writing to the members, revoke the same or extend the time for payment thereof. |
| 23. | Restrictions on power to make calls | Subject to the provisions of Section 49 of the Act, the amount of each call shall be fixed by the Board at its discretion but no call shall be made payable within less than one month from the date fixed for the payment of the last preceding call. |
| 24. | Amount payable at fixed times or by instalments | If by the terms of issue of any share or otherwise the whole or part of the amount or issue price thereof is made payable at any fixed time or by instalments at fixed times, every such amount of issue price or instalment thereof shall be payable as if it were a call |

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| | payable as calls | duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount, or issue price or instalment accordingly. |
| 25. | When interest on call or instalment payable | If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 12 per cent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such other rate as the Directors may determine but they shall have power to waive and forego the payment thereof wholly or in part. |
| 26. | Evidence in action by the Company against share holders | On the trial or hearing of any action or suit brought by the Company against any member and/or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register of the Company as a holder, or one of the holders of the members of share in respect of which such claim is made, that the resolution making the call is duly recorded in the Minute Book and that the amount claimed is not entered as paid in the books of the Company and it shall neither be necessary to prove the appointment of the Directors who made the call, nor that the requisite quorum of Directors was present at the meeting at which any call was made, nor that such meeting was duly convened or constituted, and neither any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. |
| 27. | Payment of call in advance | The Board may, if they think fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as may be agreed, but the member shall not be entitled to participate in dividend or profits or to any voting rights in respect of money so paid by him until the same would, but for such payment, become presently payable. |

(7) FORFEITURE OF AND LIEN ON SHARES

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| 28. | If call or instalment | If any member fails to pay any call or instalment on or before the day appointed for the payment of the same |
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| | not paid notice may be given | or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment. |
| 29. | Form of Notice | The notice shall name a further day (not being less than 30 days from the date of the notice) and a place on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the designated day, and at the place or places appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. |
| 30. | If notice not complied with, shares may be forfeited | If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalment, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company, from thereafter proceeding to enforce a forfeiture of such shares as herein provided. |
| 31. | Notice after forfeiture | When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid. |
| 32. | Forfeited share to become property of the Company | Any share so forfeited shall be deemed to be the property of the Company, and Directors may sell, re-allot or otherwise dispose of the same upon such terms and in such manner as they think fit, either to the original holder thereof or to any other person. |
| 33. | Power to annul forfeiture | The Board may, at any time before any share so forfeited has been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as they think fit. |
| 34. | Arrears to be paid not withstanding forfeiture | Any member whose shares have been forfeited shall notwithstanding such forfeiture be liable to pay and shall forthwith pay to the Company all call, instalments, interest and expenses, owing upon or in |

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| | | respect of such shares at the time of the forfeiture, together with interest thereupon, from the time of the forfeiture until payment at 12 percent per-annum or such other rate as the Directors may determine, and the Directors may enforce the payment thereof without any deduction or allowance for the value of the shares at the time of forfeiture but shall not be under any obligation to do so. |
| 35. | Effect of forfeiture | The forfeiture of a share involves the extinction of all interest in and also of all claims / demands against the Company in respect of the share, and all other rights incidental to the share, except such rights as are expressly saved by these Articles. |
| 36. | Certificate of forfeiture | A certificate in writing under the signature of a Director or the Secretary or by any other person who may be authorised for the purpose by the Directors, that the call, amount or instalment in respect of a share was made or was due, or the interest in respect of a call, amount or instalment was or the expenses were payable, as the case may be, that notice thereof as aforesaid was given and default in payment was made, and that the forfeiture of the share was made by a resolution of the Directors to that effect, shall be sufficient evidence of the facts stated therein as against all persons entitled to or interested in such share and such certificate and the receipt of the Company for the price of such shares shall constitute a good title to such share in the purchaser of such share who shall, as soon as he had completed his purchase, be entered in the Register of Members as the holder of the share. Any such purchaser, shall not be entitled (unless by express agreement) to any of the dividends, interest or bonus accrued or which might have accrued upon the share before the time of completing his purchase. Such purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity in the proceeding in reference to the forfeiture of such share or the sale thereof. |
| 37. | Company's lien on shares | The Company shall have first and paramount lien upon all the shares excluding fully paid-up shares, registered in the name of each member (whether solely or jointly with others), and upon the sale proceeds thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. |
| 38. | No equitable interest to be created in | No equitable interest in any shares shall be created except upon the footing and condition that Article 10 hereof is to have full effect and the said lien, shall |

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| | any shares | extend to all dividends from time to time declared in respect thereof. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. |
| 39.(a) | As to enforcing lien by sale | For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such member, his heirs, executors or administrators, or his Committee, curator bonis or other person recognised by the Company as entitled to represent such member of his estate and default shall have been made by him or them in the payment of the sum payable as aforesaid for thirty days after such notice. |
| (b) | Application of proceeds of sale | The net proceeds of any such sale shall be received by the Company and applied in or towards payment of each part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale. |
| 40. | Validity of sale | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given, the Board may appoint some persons to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceeding, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition, nor impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. |
| 41. | Power to issue new certificates | Where any shares under the powers in that behalf herein contained are sold by the Board and the certificate thereof has not been delivered to the Company by the former holder of the said shares, such certificates shall ipso facto stand cancelled and extinguished and become null and void and annulled, and thereafter, the Board may issue a new certificate for such shares distinguishing it in such manner as they may think fit for the certificate not so delivered up. |

(8) TRANSFER AND TRANSMISSION OF SHARES

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| 42. | Execution of share transfer deed | The Transfer Deed shall be executed both by the transferor and the transferee in accordance with such prescribed form and shall be delivered to the Company within the time limit prescribed under the Act. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof. The provisions contained in Section 56 of the Act shall be duly complied with in respect of all transfers. |
| 43. | Transferee's liability for stamp duty | It shall be the liability of the transferee to ensure that the instrument of transfer of shares is properly and adequately stamped. In case it is discovered after registration of any instrument of transfer that the same is under-stamped, it shall be the liability of the transferee to make good the deficiency and to pay the penalty, if any, imposed by the appropriate authority in respect thereof. |
| 44. | Application for Transfers | Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee in the manner prescribed by the Act, and subject to the provision of Articles 10 and 47 hereof, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register, the name of the transferee in the same manner, and subject to the same conditions as if the application for registration was made by the transferee. |
| 45. | Instrument of transfer to be left at the Office | Every instrument of transfer shall be left at the office for registration, accompanied with the certificate(s) of shares to be transferred, or if no such certificate is in existence, by the Letter of Allotment of shares and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the shares. |
| 46. | Notice of transfer to registered holder | Before registering any transfer tendered for registration, the Company may, if it so thinks fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that |

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| | | <p>unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within fifteen days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Company shall be deemed to have decided not to give a notice, and in any event the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company.</p> |
| 47. | Indemnity against wrongful transfer | <p>Neither the Company nor its Directors shall incur any liability for registration of or acting upon transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors, be legally imperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside. And in every such case the person registered as transferee, his heirs, executors, administrators and assigns alone shall be entitled to be recognised as the holder of such share and the previous holder shall so far as the Company is concerned be deemed to have transferred his whole title thereto.</p> |
| 48. | In what case to decline to register transfer of shares | <p>Subject to the provisions of Section 58 of the Act, the Board may refuse to register any transfer of or the transmission, by operation of law or the right to any shares or interest of a member in the Company, provided however that the registration of transfer of shares shall not be refused on the ground of the transferor being, either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.</p> |
| 49. | Notice of refusal to register transfer | <p>If the Board refuses to register the transfer of or the transmission of the right to any shares or interest of a member in the Company, the Company shall, within one month from the date on which the instrument of transfer or the intimation of such transmission as the case may be</p> |

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| | | delivered to the Company, send notice of such refusal to the transferee and the transferor or the person giving intimation of such transfer, giving reasons for such refusal. |
| 50. | Which instrument of transfer to be retained | All instruments of transfer, which shall be registered, shall be retained by the Company. |
| 51. | No transfer to minor etc. | No transfer shall be made to a person of unsound mind or firm without the consent of the Board and no transfer of partly paid shares shall be made to a minor. |
| 52. | Loss of Instrument of transfer | When on application in writing made to the Company by transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Directors, that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnify as the Board may think fit. |
| 53. | Book Closure / Record Date | Subject to the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended or re-stated from time to time, the Company may close its Register of Members and Share Transfer Register and / or fix Record Date from time to time. |
| 54. | Transmission of Registered shares | The executors or administrators or the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint-holders) shall be the only person whom the Company shall recognise as having any title to the shares registered in the name of such member and, in case of the death of any one or more of the joint-holders of any registered shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognising any legal representative or heir or a person otherwise claiming title to these shares, the Company may require him to obtain a grant of probate or letter of administration or succession certificate or other legal representation, as the case may be, from a Competent court in India, |

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| | | <p>PROVIDED nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of probate or letter of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may in its absolute discretion consider adequate.</p> |
| 55. | Nomination | <p>i) Every holder of share(s) in and/or debenture(s) of the Company, so entitled under the Act and Rules framed there under, may, at any time, nominate, in the manner prescribed under the Act, a person to whom his share(s) in and/or debenture(s) of the Company shall vest in the event of his death.</p> <p>ii) Where the share(s) in and/or debenture(s) of the Company are held by more than one person jointly, the joint-holders, so entitled under the Act and Rules framed there under, may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint-holders.</p> <p>iii) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of the share(s) and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the rights to vest the share(s) and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture holder concerned or on the death of the joint holders, as the</p> |

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| | | <p>case may be, become entitled to all the rights in relation to such share(s) and/or debenture(s), to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.</p> <p>iv) Where the nominee is a minor, the holder of share(s) and/or debenture(s) of the Company, can make a nomination prescribed under the Act, to appoint any person to become entitled to the share(s) and/or debenture(s) of the Company, in the event of his death, during the minority.</p> |
| 56. | Transmission in case of Nomination | <p>i) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provision of Article 55, upon the production of such evidence as may be required by the Board and subject as hereafter provided, elect, either</p> <p>a) to be registered himself as holder of the share(s) and/or debenture(s), as the case may be, or</p> <p>b) to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debenture holder concerned or deceased joint holder, as the case may be, could have made.</p> <p>ii) If the person being a nominee, so becoming entitled, elects himself to be registered as holder of share(s) and/or debenture(s), as the case may be, he shall deliver or send to the Company, a notice in writing duly signed by him stating that the nominee concerned so elects and such notice shall be accompanied with the death certificate(s) of the deceased</p> |

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| | | <p>shareholder/debenture holder/joint holders, as the case may be.</p> <p>iii) All the limitations, restrictions and the provisions of these Articles, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s), shall be applicable to any such notice or the transfer as aforesaid as if the death of the shareholder/debenture holder had not occurred and the notices or transfer were signed by that shareholder/debenture holder or joint holder, as the case may be.</p> <p>iv) A person being a nominee, becoming entitled to the share(s)/debenture(s), by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s)/debenture(s), be entitled in respect of it, to exercise, any right conferred by membership in relation to a meeting of a Company.</p> <p>Provided that the Board may, at any time give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s), and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.</p> |
| 57. | As to transfer of shares of deceased or insolvent | Any person becoming entitled to or to transfer shares in consequence of the death, |

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| | <p>member</p> <p>Notice of election to be registered as a shareholder</p> | <p>lunacy, bankruptcy or insolvency of any member or by operation of law, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may with the consent of the Board (which they shall not be under any obligation to give), be registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Article is hereinafter referred to as "The Transmission Article". Subject to any other provisions of these Articles, if the persons so becoming entitled to shares under this or the last preceding Article shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer the shares to some other person he shall execute an instrument of transfer in accordance with the provisions of these Articles relating to transfer of shares. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid.</p> |
| 58. | Rights of unregistered executors and trustees | <p>Subject to any other provisions of these Articles and if the Board in their sole discretion are satisfied in regard thereto, a person becoming entitled to a share in consequence of the death or insolvency of a member may receive and give a discharge for any dividends or other moneys payable in respect of the shares.</p> |
| 59. | Company not liable for disregard of a notice prohibiting transfer of shares | <p>The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had direct or indirect notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto in any book of the</p> |

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| | | Company, and Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company. |
| 60. | Transfer of Debentures | The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law of debentures of the Company. |
| 61. | Right to dividends, rights shares and bonus shares pending registration of transfer of shares | <p>Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered by the Company, it shall, notwithstanding anything contained in any other provisions of the Act or these Articles:</p> <ul style="list-style-type: none"> (a) transfer the dividend in relation to such shares to the special account referred to in Section 124 of the Act, unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and (b) keep in abeyance in relation to such shares any offer of rights shares under Clause (a) of sub-section (1) of Section 62 of the Act and any issue of fully paid up bonus shares in pursuance of Section 63 and payment of dividend in pursuance of Section 123(5) of the Act. |

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| 62. | Dematerialisation of securities Definitions | 01 | For the purpose of this Article "Beneficial Owner" means a person whose name is recorded as such with a Depository. "Depository" means the Company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration as Depository under the Securities and Exchange Board of India Act, 1992. "Depositories Act" means Depositories Act, 1996 or any other statutory modification or re-enactment thereof. "Registered Owner" means a Depository whose name is entered as such in the records of the Company. "Securities" means such securities as may be specified by the Securities and Exchange Board of India from time to time. |
| | Dematerialisation of Securities | 02 | Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act. |
| | Options for Investors | 03 | Every person subscribing to securities offered by the Company shall have the option to receive security certificate(s) or to hold the securities with a Depository. Such a person who is a beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate(s) of securities. If a person opts to hold his securities with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as |

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| | | the beneficial owner of the security. |
| | Securities in Depository to be in fungible form | 04 All securities held by a Depository shall be dematerialised and shall be in fungible form. Nothing contained in Section 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners. |
| | Right of Depositories and Beneficial Owners | 05 (a) Notwithstanding to the contrary contained in the Act, or in these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of the security on behalf of the beneficial owners. (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting right or any other rights in respect of securities held by it. (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository. |
| | Service of Documents | 06 Notwithstanding anything contained in the Act or in these Articles to the contrary, where securities are held in a Depository, the notice of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs. |
| | Transfer of Securities | 07 Nothing contained in Section 56 of the Act or in these Articles shall apply to transfer of securities |

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| | | | <p>effected by a transferor and a transferee, both of whom are entered as beneficial owners in the records of the Depository.</p> |
| | Allotment of Securities | 08 | <p>Notwithstanding anything contained in the Act or these Articles, after any issue where the securities are dealt with in a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.</p> |
| | Distinctive numbers of securities | 09 | <p>Nothing contained in the Act or in these Articles regarding necessity of having distinctive numbers for securities issued by the Company shall apply to securities held by a Depository.</p> |
| | Register and Index of Beneficial Owners | 10 | <p>The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index of Members and security holders for the purpose of these Articles.</p> |

(9) STOCKS

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| 63. | Conversion of shares into Stock and Stock into Shares | The Company may exercise the power of conversion of its shares into stock and stock into shares as per the provisions of the Act. |
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(10) BORROWINGS

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| 64. | Power to borrow | The Board may from time to time at its discretion, subject to the provisions of Sections 179 and 180 of the Act, raise or borrow and /or secure payment of any sum or sums of money for the purposes of the Company. |
| 65. | To provide security for borrowings | The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonds, notes, convertible, redeemable or otherwise, perpetual or redeemable debenture or debenture-stock or any mortgage or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being. |
| 66. | Indemnity may be given | The Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under the guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property, or assets or otherwise. If the Directors or any of them or any other person, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid. |
| 67. | Issue of Debentures | Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special |

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| | | privileges as to redemption, surrender, drawings, allotment of shares, or conversion, appointment of Directors and otherwise and upon such terms and conditions as the Board and the Shareholders think fit as per the provisions of the Act. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the persons to whom the same may be issued. |
| 68. | Power to issue Debentures | The Directors, subject to the provisions of Sections 179 and 180 of the Act, may at their discretion, raise or borrow or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, debentures or by any mortgage or by any charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being. |

III GENERAL MEETINGS

(I) CONVENING OF MEETINGS

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| 69. | Annual or Ordinary General Meeting | An Annual General Meeting of the Company shall be held in each year in accordance with Section 96 of the Act and shall be called for a time during business hours, on a day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city or town in which the registered office of the Company is situated, as the Board of Directors may determine, and the notice calling the meeting shall specify it as the Annual General Meeting. |
| 70. | Right to attend General Meeting | Every member of the Company shall be entitled to attend every General Meeting either in person or by proxy. |
| 71. | Distinction between General Meetings | All General Meetings other than Annual General Meetings shall be called Extra-Ordinary General Meetings. |
| 72. | | The Board of Directors of the Company |

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| | | may, whenever it deems fit, call an Extra-Ordinary General Meeting and such meeting may be held at such place and time as the Board may think fit. |
| 73. | Calling of Extra Ordinary General Meeting on requisition | The Board shall, at the requisition made by such number of members, convene an Extra Ordinary General Meeting as per the provisions of the Act to consider such matters as were set out by the requisitionists. |
| 74. | Notice of Meeting | A General Meeting of the Company may be called by giving not less than clear 21 days' notice in writing or through electronic mode pursuant to Section 101 of the Act. However, a General Meeting may be called after giving a shorter notice than of 21 days', if consent is given in writing or by electronic mode by not less than 95 percent of the members entitled to vote at such meeting. |
| 75. | Contents of notice | Every notice of a meeting of the Company shall specify the place, date, day and the hour of the meeting, and shall contain a statement of the business to be transacted thereat. No General Meeting, Annual or Extra-Ordinary, shall be competent to enter upon, discuss or transact any business which has not been specially mentioned in the notice or notices upon which it was convened. |
| 76. | Service of notice | Notice of every meeting shall be given to (i) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member; (ii) every director of the Company; (iii) auditor(s) of the Company and (iv) to all other eligible persons in pursuance of Section 101 of the Act. |
| 77. | Omission to give notice not to in-validate meeting | The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting. |
| 78. | Resolution requiring Special notice | Where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice in respect of the same shall be given to the Company by the members as provided in Section 115 of the Act. |
| 79. | Special business | (a) In case of an Annual General Meeting, all business to be transacted at the meeting |

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| | | shall be deemed special with the exception of the business relating to: |
| | | <ul style="list-style-type: none"> (i) consideration of financial statements and reports of the Board of Directors and Auditors; (ii) declaration of any dividend; (iii) appointment of Directors in place of those retiring; and (iv) appointment of, and fixing of remuneration of, Auditors. <p>b) In case of any other meeting, all business shall be deemed to be special.</p> <p>(c) A statement setting out the following material facts concerning each item of special business to be transacted at a general meeting shall be annexed to the notice calling such meeting, namely:—</p> <ul style="list-style-type: none"> (1) the nature of concern or interest, financial or otherwise, if any, in respect of each item of— <ul style="list-style-type: none"> (i) every director and the manager, if any; (ii) every other key managerial personnel; and (iii) relatives of the persons mentioned in sub-clauses (i) and (ii) above; (2) any other information and facts that may enable the members to understand the meaning, scope and implications of the items of business and to take decisions thereon. <p>Provided that where any item of special business to be transacted at a meeting of the Company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the Company shall, if the extent of such shareholding is not less than two percent of the paid-up share capital of that other company, shall also be set out in the statement.</p> |

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| | | d) Where any item of business to be transacted at any General Meeting of the Company refers to any documents, the time and place where the said documents can be inspected shall be specified in the statement. |
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(2) PROCEEDINGS AT GENERAL MEETINGS

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| 80. | Quorum | Quorum shall be present not only at the time of commencement of the meeting but also while transacting business. No business shall be transacted at any General Meeting unless the requisite quorum is present at the time when the meeting proceeds to take up any business. Quorum for general meetings shall be as per Section 103 of the Act. When more than one of the joint holders of a share is present, not more than one of them shall be counted for ascertaining the quorum. Several executors or administrators of a deceased person in whose sole name shares stand shall for the purpose of this clause be deemed joint-holders thereof. |
| 81. | When quorum not present | If within half an hour from the time appointed for holding a meeting, a quorum is not present, the meeting, if convened upon a requisition of members under Section 100 of the Act, shall stand dissolved and cancelled, but in any other case, it shall stand adjourned to the same day in the next week at the same time and place, unless the same be a national holiday when the meeting shall stand adjourned to the next day not being a national holiday at the same time and place or to such other date and such other time and place as the Board may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, those members who are present and not being less than two persons shall be the quorum and may transact the business for which the meeting was called. |
| 82. | Business which may be transacted at a Meeting | No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business, a statement of which has not been specified |

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| | | in the notice convening the meeting, except as provided in the Act. |
| 83. | Sufficiency of Ordinary Resolution when no specific provision | Any act or resolution which under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if effected by an Ordinary resolution unless either the Act or the Articles specifically require such act to be done or resolution passed by a Special Resolution. |
| 84. | Chairman of General Meeting | The Chairman of the Board, if any, shall if present and willing be entitled to take the Chair at every General Meeting, whether Annual or Extra-Ordinary, but if there be no such Chairman or in case of his not being present or present but not willing or failing to take the Chair within fifteen minutes of the time appointed for holding such meeting, the members present shall elect another Director as Chairman, and if all the Directors present decline to take the Chair, or if there being no Director present, then the members present shall elect one of their own number to be Chairman of the meeting by show of hands. If a poll is demanded for election of Chairman, it shall be taken forthwith in accordance with the provisions of the Act, and the Chairman elected on a show of hands shall exercise all the power of the Chairman for the purpose of such poll. If some other person is elected Chairman as a result of such poll, he shall be the Chairman for the rest of the meeting. |
| 85. | Chairman with consent of members may adjourn meeting | <p>The Chairman may, with the consent of a majority of the members personally present at any meeting, adjourn the meeting, from time to time and place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>A resolution passed at an adjourned meeting of the Company shall be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.</p> |
| 86. | Passing of Resolutions by postal ballot | Pursuant to Section 110 of the Act, the Company may in respect of any business other than the ordinary business and any |

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| | | such business in respect of which the directors or auditors have a right to be heard at any meeting, and shall in case of resolutions relating to such business as the Central Government has or may declare to be conducted only by postal ballot, get such resolution(s) passed by means of a postal ballot. |
| 87. | Voting at the General Meetings | The manner of voting at the General Meetings shall be in accordance with the provisions of the Act. |
| 88. | Minutes of General Meeting | <p>(1) The Company shall cause minutes of the proceedings of every General Meeting of any class of shareholders or creditors and resolutions passed by Postal Ballot, to be prepared, signed and kept in the manner as prescribed in Section 118 of the Act, within thirty days of the conclusion of every such meeting.</p> <p>(2) Each page of every such minutes shall be initialled or signed and the last page of the recorded proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose. The date of making entry in the Minutes is to be mentioned in the Minutes.</p> <p>(3) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings there-at.</p> <p>(5) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting.</p> <p>(6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter whatsoever and in particular a matter</p> |

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| | | <p>which in the opinion of the Chairman of the meeting:</p> <p>(a) is or could reasonably be regarded as defamatory of any person; or</p> <p>(b) is irrelevant or immaterial to the proceedings; or</p> <p>(c) is detrimental to the interests of the Company.</p> <p>(7) The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds or otherwise.</p> <p>(8) Any such minutes shall be evidence of the proceedings recorded therein.</p> |
| 89. | Secretarial Standard | The Company shall comply with the Secretarial Standard-2 issued by The Institute of Company Secretaries of India with respect to the General Meetings. |

(3) VOTE OF MEMBERS

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| 90. | Indebted Member not to vote | No member shall be entitled to exercise any voting right on any resolution either personally or by proxy or upon poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien. |
| 91. | Votes in respect of deceased, insolvent and insane members | Subject to the provisions of these Articles, any person entitled under the transmission article to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that at least seventy two hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect hereof. If any member be a lunatic, idiot or non compos mentis, he may vote whether on a show of hand or at a poll by his Committee, curator bonis or |

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| | | other person recognised by the Company as entitled to represent such member and such last mentioned person may give their votes by proxy. |
| 92(a) | Representation by bodies corporate | A body Corporate (whether a Company within the meaning of the Act or not) may by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representative at any general meeting of the Company or at any meeting of any class of members, creditors or debenture-holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy and postal ballot) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company. |
| (b) | Representation by President of India etc. | Where the President of India or the Governor of a State is a member of the Company, the President or, as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of Members of the Company and such person shall be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers, including the right to vote by proxy and by postal ballot, as the President or, as the case may be, the Governor could exercise as a member of the Company. |
| (c) | Representation by Trustees | Where any shares in the Company are held in trust by a person (hereinafter referred to as "The Trustee"), the rights and powers (including the right to vote by proxy) exercisable at any meeting of the Company or at any meeting or any class of members of the Company by the Trustee as a member of the Company shall be exercisable in accordance with any special law, in this behalf and applicable provisions of the Act, if any. |
| 93. | Number of votes to which member is entitled | Subject and without prejudice to any special privileges or restrictions or condition for the time being attached to or affecting the preference or other special classes of shares, if any, issued by and for |

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| | | <p>the time being forming part of the capital of the Company, every member entitled to vote under the provisions of these presents and not disqualified by the provisions of Article 90 or by any other Articles, shall on a poll, whether present in person or by proxy or agent duly authorised by a power of attorney or representative duly authorised and not disqualified, as aforesaid, have voting rights in proportion to his share in the paid up equity capital of the Company subject however to any limits imposed by law. But no member shall have any voting right in respect of any moneys paid in advance as provided under Article 27.</p> <p>A member may exercise his vote in respect of business before a meeting by electronic means in accordance with Section 108 of the Act.</p> |
| 94. | Joint-holders | <p>Where there are joint registered holders of any share, any one of such persons may vote at any meeting in respect of such share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by proxy then one of the said persons so present whose name stands first on the register in respect of such shares shall alone be entitled to vote in respect thereof. Where there are several executors or administrators, of a deceased member in whose sole name any shares stand, any one of such executors or administrator may vote in respect of such shares unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and objects to the vote.</p> |
| 95. | Proxies | <p>Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting, and such proxy shall not be entitled to vote except on a poll.</p> |
| 96. | Instrument of Proxy to be in writing | <p>The instrument appointing a proxy shall be in writing and shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is a body</p> |

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| | | corporate, such instrument shall be under its seal or be signed by an Officer or an attorney duly authorised by it, or by the person authorised to act as the representative of such company under Article 92. |
| 97. | Proxy may demand poll | Any instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in the demand for a poll on behalf of the appointer. |
| 98. | Instrument appointing proxy to be deposited at the office | The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of authority shall be deposited at the office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. |
| 99. | Form of instrument appointing a proxy | Every instrument appointing a proxy shall be in the prescribed form as set out in the Act. |
| 100. | When vote by proxy valid though authority revoked | A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of transfer of the share in respect of which the vote is given provided no intimation in writing of the death, insanity, revocation of transfer of the share shall have been received at the office or by the Chairman of the meeting before the vote is given provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked. |

IV DIRECTORS

(1) GENERAL PROVISIONS

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| 101. | Number of Directors | Unless otherwise determined by the Company in a General Meeting, the number of Directors shall neither be less than three nor more than fifteen. |
| 102. | Directors | At the date of adoption of these Articles, the Directors of the Company are: 1. Shri Ram Gopal Saraf 2. Shri Sushil Kumar Gupta 3. Shri Shri Krishan Chhiber |
| 103. | Director's qualification | A Director need not hold any share in the capital of the Company to qualify him to act as a Director of the Company. |
| 104. | Continuing Directors may act | The continuing Directors may act notwithstanding any vacancy in the Board but if the number falls below the minimum number as provided under Article 101, the directors shall not act except for the purpose of filling vacancies to bring the strength of the Board required for quorum or for summoning a General Meeting. |
| 105. | Directors and Managing Director may contract with the Co. | Subject to the provisions of the Act, the Directors (including a Managing Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or a firm contracting with the Company either as a vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract or any contracts or agreement entered into by or on behalf of the Company with any Director, or with any Company or partnership, of or in which any Director shall be a member or otherwise interested be avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that Office or of the fiduciary relation thereby established but it is declared that the nature of his interest shall be disclosed as provided by Section 184 of the Act and in this respect all the provisions of the Act shall be duly observed and complied with. |

(2) APPOINTMENT OF DIRECTORS

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| 106. | Appointment of Directors | The Company in a General Meeting may, subject to the provisions of these Articles and the Act, at any time elect any person to be a Director of the Company and may from time to time increase or reduce the number of Directors. |
| 107. | Appointment of Additional Directors | Subject to the applicable provisions of the Act, the Directors shall have the power to appoint any person, at any time and from time to time, as an additional director to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed hereinabove under Article 101. Any Director so appointed shall hold office only up to the date of the next Annual General Meeting of the Company. |
| 108. | Casual Vacancy may be filled by the Board | The Directors shall also have the power to fill a vacancy in the Board. Any Director so appointed, shall hold office only so long as the Vacating Director would have held the same, if no vacancy had occurred. |
| 109. | Nominee Directors | The Board may appoint any person as a nominee director of any Financial Institution, Bank, Body Corporate etc. (herein after referred to as "the Lenders") from time to time as per the agreed terms of borrowings between the lenders and the Company. A director appointed under this Article is hereinafter referred to as "the Nominee Director" and that the term "Nominee Director" means a Director for the time being in office under this Article. The Nominee Director shall not be bound to hold any qualification shares and not be liable to retire by rotation or be removed by the Company. |
| 110. | Debenture Directors | Any Trust Deed for securing debenture or debenture stock, if so arranged, may provide for the appointment from time to time by the trustees thereof or by the holders of the debentures or debenture stock of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture stock from time to time to remove any Director so appointed. A director appointed under this Article is herein referred to as the "Debenture Director" and that the term |

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| | | <p>"Debenture Director" means a Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.</p> |
| 111. | Collaborator's Directors | <p>Whenever the Company enters into a technical, financial, technical-cum-financial collaboration agreement or seek know-how, engineering and consultancy service, project-studies and appraisal, feasibility and market survey reports or any other services, knowledge or assistance from persons whether incorporated, operating or resident in India or not, on specific terms securing for such company, firm or person the right to appoint its nominees on the Board of the Company, the Directors shall have the power to appoint any person or persons nominated by them as a Director or Directors of the Company. The agreement entered into in this behalf with such company, firm or person may contain such ancillary provisions as may be agreed to between the Company and that other party and all such provisions shall have effect notwithstanding any of the other provisions herein contained.</p> |
| 112. | Alternate Director | <p>The Board may appoint any person to act as an alternate director for a Director during the latter's absence for a period of not less than three months from the Country and such appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly, but he shall ipso facto vacate office if and when the Director in whose place he has been appointed returns to the Country.</p> <p>Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.</p> |
| 113. | Key Managerial | <p>The Board of Directors may appoint a</p> |

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| | Personnel | Managing and/or Whole-time Director(s) (including Joint/Deputy Managing Directors and Executive Directors) and/or Chief Executive Officer, or a Manager to manage the affairs of the Company, Chief Financial Officer, Secretary and other officers for such remuneration and on such terms and conditions with the sanction when so required by the Act, of the members in a General Meeting and/or approval of the Central Government. |
| 114. | Independent Director(s) | Notwithstanding anything contained in these Articles, the appointment, re-appointment and continued appointment of the independent directors shall be governed by Section 149 and other applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended or re-stated from time to time. |

(3) MANAGING DIRECTOR(S) / EXECUTIVE DIRECTOR(S)

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| 115. | Power and duties of Managing Directors etc. | The Board may from time to time entrust to and confer upon the Managing or Whole-time Director / Directors, (including Joint/Deputy Managing Directors, Executive Directors), Manager, Chief Executive Officer, Chief Financial Officer, Secretary or other officers such of the powers exercisable under these presents by the Board of Directors as they may think fit, and may confer such power for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. |
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(4) DIRECTORS' REMUNERATION

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| 116. | Directors' Remuneration | Until otherwise determined by the Company in a General Meeting and subject as hereinafter provided, each Director [other than the Managing and/or Whole-time Director(s) (including |
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| | | <p>Joint/Deputy Managing Directors and Executive Directors)] shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or a Committee of the Board, such fee for each such meeting, as may from time to time be determined by the Board, but not exceeding such sum as may from time to time be prescribed by the Central Government under the Act, such fee is hereinafter referred to as the sitting fee.</p> <p>Directors [other than the Managing and/or Whole-time Director(s) (including Joint/Deputy Managing Directors and Executive Directors)] may also be paid additional remuneration by way of a commission not exceeding one per cent of the profit of the Company for the relevant year, as may be determined by the Company from time to time - such commission to be calculated on the net profit of the Company computed in the manner referred to in Section 198 of the Act - and such commission shall be divided among such Directors in such proportion and manner as may be determined by the Board.</p> <p>The Directors may allow and pay to any Director, who for the time being is resident out of place at which any meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting, such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending the meeting in addition to the sitting fee.</p> <p>If any Director being willing shall be called upon to perform extra services or to make any special exertions for any of the purposes of the Company, the Directors, subject to the provisions of the Act and to the extent necessary, shall be entitled to remunerate such Directors either by a fixed salary or sum of a percentage of profit or in any other manner or partly in one form and partly in another as may be determined by the</p> |
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| | | Directors in addition to the sitting fee provided that the working Directors of the Company (including a Managing Director and Executive Directors) who are getting paid on a regular basis shall not be entitled to be paid the sitting fee for attending the meeting of the Board and/or a Committee thereof. |
| 117. | Sitting Fee to Directors | Subject to the provisions of the Act, and Rules made thereunder, each of the Directors other than the managing/whole-time directors shall be paid sitting fees for each meeting of the Board or committees thereof, attended by him as approved by the Board of Directors from time to time. |
| 118. | Rotation of Directors | At every Annual General Meeting of the Company, one-third of the Directors excluding the Independent Directors for the time being, shall be liable to retire by rotation and if their number is not three or a multiple of three, then the number nearest thereto shall retire from office. The Directors liable to retire at such Annual General Meeting shall be the Directors including Executive Directors and Whole Time Directors (other than Managing Director and/or any other Director or Directors, who by virtue of the provisions of any agreement referred to in Articles 109, 110 or 111 are not liable to retire by rotation) who shall have been longest in office since their last election. As between the Directors who became Directors on the same day, those to retire shall (in default of agreement between them) be determined by a lot. For the purpose of this Article, a Director appointed to fill a vacancy under the provision of Article 108 shall be deemed to have been in office since the date on which the Director, in whose place he was appointed, was last elected as a Director. |
| 119. | Retiring Director eligible for re-election | A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires. |
| 120. | Adjournment of meeting for election of directors, and provisions in default of appointment | (a) Subject to any resolution for reducing the number of Directors, if the vacancy of a retiring Director is not so filled up and the meeting has not expressly resolved not to fill the |

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| | | <p>vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday till the next succeeding day which is not a national holiday at the same time and place or to such other date and such other time and place as the Board may determine.</p> <p>(b) If at the adjourned meeting also, the vacancy of the retiring Director is not filled up and that the meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:-</p> <ul style="list-style-type: none"> (i) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost. (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed. (iii) he is not qualified or is disqualified for appointment. (iv) a resolution, whether special or ordinary is required for the appointment or re-appointment by virtue of any provision of the Act. (v) provisions of sub-section (2) of Section 162 of the Act are applicable to the case. |
| 121. | Single resolution for the appointment of Directors prohibited | At a general meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution, and the provisions of Section 162 of the Act in this behalf shall apply in all respects. |
| 122.(i) | Notice of candidature for office of Director | Subject to the provisions of the Act and these Articles, any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him, has at least fourteen days before the meeting, |

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| | | left at the office of the Company, a notice in writing under his hand alongwith requisite deposit signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be. |
| (ii) | Consent of Director to be filed with the Company and Registrar | Every person (other than a Director retiring by rotation or otherwise a person who has left at the office of the Company, a notice under Section 160 signifying his candidature for the office of a Director) shall sign, and file with the Company, his consent in writing to act as a Director, if appointed. |

(5) REMOVAL OF DIRECTORS

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| 123. | Removal of Directors | Subject to the provisions of Section 169 of the Act, the Company may, by an ordinary resolution passed at a general meeting, remove any Director before the expiration of his period of office and may appoint another person in his place. The person so appointed shall hold office, during such time as the Director in whose place he is appointed would have held the same, if he had not been removed. |
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(6) VACATION OF OFFICE

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| 124. | Vacation of office by a Director | <p>The office of a Director shall be deemed to have been vacated:-</p> <p>(i) ipso facto in the eventualities as mentioned in Section 167 of the Act; and / or</p> <p>(ii) in the event of resignation by a Director or the withdrawal of his nomination in the case of a Director appointed pursuant to Articles 109, 110 or 111 on the date on which the letter of resignation or the letter of withdrawal of his nomination, as the case may be, is received by the Company.</p> |
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(7) PROCEEDING OF MEETING OF DIRECTORS

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| 125. | Directors meeting | The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit, from time to time. |
| 126. | Summoning, convening and notice of meeting of the Directors | <p>Any Director may, at any time, summon a meeting of the Board of Directors.</p> <p>The Company Secretary or any person authorised by the Board in this behalf, on the requisition of a Director, shall convene a Meeting of the Board, in consultation with the Chairman or in his absence, the Managing / Whole-time Director.</p> <p>Notice, Agenda and Notes on Agenda shall be prepared and circulated to all concerned in the manner as provided under the Act and the rules framed there-</p> |

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| | | under read with the Secretarial Standard-1 on Meetings of the Board of Directors. |
| 127. | Quorum of Board meeting | Subject to the provisions of Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (excluding the Director, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher, and the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum, provided that where at any time the number of interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. |
| 128. | Adjournment of a meeting for want of quorum | If a meeting of the Board cannot be held for want of quorum, then the meeting shall stand adjourned to such other day, time and place as the Director or Directors present at the meeting may fix. |
| 129. | Chairman | <p>The Board of Directors may elect a chairman of its meetings and determine the period for which he is to hold office. If no such chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes from the time appointed for holding the meeting, the Directors present may choose one of their numbers to chair that meeting.</p> <p>The Managing Director of the Company may also be appointed as a Chairman of the Company.</p> |
| 130. | Questions at Board meetings how decided | <p>Questions arising at any Board Meeting shall be decided by a majority of votes, each Director having one vote, and in case of equality of votes, the Chairman shall have a second or casting vote.</p> <p>The Chairman of the Board of Directors shall chair all the meetings of Directors, provided that if the Chairman is not present, the Directors present shall elect one of their numbers to be the Chairman</p> |

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| | | <p>of such Board meeting.</p> <p>The Chairman of the Board of Directors shall also preside over all General Meetings of the Company.</p> |
| 131. | Acts of meetings | A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company or the Act for the time being vested in or exercisable by the Board of Directors. |
| 132. | Delegation of powers to the Committee(s) | The Board of Directors may, subject to the restrictions contained in Section 179 of the Act, from time to time, delegate any of their powers to committees of the Board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either in whole or in part and either as to persons or purposes but every Committee of the Board so formed shall in the exercise of the powers as delegated, conform to any regulations that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulation and in fulfilment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Board. The meetings and proceedings of any such committee of the Board if consisting of two or more members, shall be governed by the provisions for regulating the meetings and proceedings of the Board of Directors as far as the same are applicable thereto and are not superseded by any regulations made by the directors under this Article. While constituting such Committees, the Board of Directors shall be at liberty to stipulate such regulations as to who should chair its meetings, specify special requirements as to quorum, frequency of meetings and other related matters and define its terms of reference, role and powers. |
| 133. | Validity of acts | All acts done at any meeting of Directors or of a Committee of Directors or by any |

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| | | <p>person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors, Committee or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was duly qualified. Provided always that nothing in this Article shall be deemed to give validity to acts done by such Directors, Committee or person acting as aforesaid after it has been shown that there was some defect in any appointment or that they or any of them were disqualified.</p> |
| 134. | Resolution by Circulation | <p>No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all members of the Committee, as the case may be, at their address registered with the Company in India, by hand delivery or by post or by courier, or through such electronic means, as may be prescribed, and has been approved by a majority of Directors or members, who are entitled to vote on the resolution.</p> <p>Provided that, where not less than one-third of the total number of directors on the Board for the time being or any Committee thereof, as the case may be, require that any resolution under circulation must be decided at a meeting, the Chairman of the Board or the Committee shall put the resolution to be decided at a meeting thereof.</p> |
| 135. | Minutes of the meetings of Directors, by whom minutes to be signed and the effect of minutes so recorded | <p>Minutes of the Board meetings shall be prepared and circulated to all concerned in the manner as provided under the Act and the rules framed there-under read with the Secretarial Standard-1 on Meetings of the Board of Directors.</p> <p>All such minutes shall be signed and dated by the Chairman of the Meeting as recorded, or by the person who shall preside as Chairman at the next succeeding meeting and all minutes</p> |

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| | | purported to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded, and actual and regular transaction of occurrences of the proceedings so recorded and of the regularity of the meeting at which the same appear to have taken place. |
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(8) POWERS OF DIRECTORS

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| 136. | General powers of the Company vested in Directors | The business of the Company shall be managed by the Directors who in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company, and not expressly directed or required by law or by these Articles to be exercised or done by the Company in General Meetings but subject nevertheless to the provisions of any law and of these presents and to any regulations, not being inconsistent with these presents from time to time made by the Company in a General Meeting. Provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. |
| 137. | Delegation of powers by the Directors | Without prejudice to the general powers conferred by the preceding article, the Directors may from time to time subject to the restrictions contained in the Act, delegate to any of the Directors, Committee of the Directors, employees or other persons including any firm or body corporate any of the powers, authorities and discretions for the time being vested in the Directors. |
| 138. | Execution of deeds etc. | All deeds, agreements and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company, shall be signed, drawn, accepted or endorsed or otherwise executed as the case may be by such persons (including any firm or body corporate) whether in the employment of the Company or not and in such manner as the Director shall from time to time |

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| | | determine. |
| 139. | Management abroad | The Directors may make such arrangements, as may be thought fit for the management of the Company's affairs abroad, and may, for this purpose (without prejudice of the generality of their powers) appoint local Boards, attorneys and agents and fix their remuneration, and delegate to them such powers as may be deemed expedient or requisite. |
| 140. | Borrowing powers | The amount for the time being remaining un-discharged or monies, borrowed or raised by the Directors for the purposes of the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, without the consent of the Company in a General Meeting. |
| 141. | Donations etc. | The Directors are authorised to make donations to any individuals or institutions or contribute to any charitable, religious, benevolent, national, public or general or other funds not directly relating to the business of the Company or the welfare of its employees, any sums the aggregate of which will, in any financial year, not exceed 5% of the average net profits of the Company during the three immediately preceding financial years, and may, with the prior consent of the Company in a General Meeting contribute any sums in excess of such limits. |
| 142. | Appointment of officers etc. | The Board may appoint and, at their discretion, remove or suspend such officers, by whatever designation called, managers, engineers, experts, legal advisers, solicitors, clerks, agents, salesmen, workmen and other servants or professionals, for permanent, temporary or special services as the Board may from time to time think fit and determine their duties, fix their salaries, service conditions, emoluments and delegate to or confer upon them such power (including the power to sub-delegate), authorities and discretions as the Board |

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| | | may think fit. |
| 143. | Director may contract with the Company | A Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such firm, or a Private Company of which the Director is a member or Director or any other parties listed in Sections 2(76), 184, 188 of the Act and as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended or re-stated from time to time and the applicable Accounting Standard, may enter into any contract with the Company for the sale, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in, or debentures of the Company subject to requisite approvals in accordance with the provisions of Sections 184, 188 and other applicable provisions of the Act and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended or re-stated from time to time. |
| 144. | Disclosure of Interest | A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided for in Section 184(2) of the Act, provided in any contract or arrangement entered into or to be entered into with any other Company where any of the Directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such Company. |
| 145. | Directors may be Directors of companies promoted by the Company | A Director may be or become a Director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as a Director or shareholder of such Company as per the provisions of the Act. |
| 146. | Meetings of the Committee to be | The meetings of and proceedings by any such Committee of the Board consisting |

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| | governed | of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable there to and are not superseded by any regulations made by the Directors under these Articles. |
| 147. | Powers of Board | <p>The Board may exercise all such powers of the Company, and to do all such acts and things, as the Company is authorised to do, provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act, or in the memorandum or these Articles, or in any regulations not inconsistent therewith and duly made there-under, including regulations made by the Company in a general meeting.</p> <p>However, the Board shall not exercise any power or do any act or thing which is directed or required, whether under the Act or by the memorandum or these Articles or otherwise, to be exercised or done by the Company in a general meeting.</p> <p>Notwithstanding anything contained herein-above, no regulation made by the Company in a general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p> <p>The Board shall not exercise the following powers unless consented to by the Company in a general meeting by way of a Special Resolution:</p> <ul style="list-style-type: none"> (a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking; (b) remit or give time for the re-payment of, any debt due from a Director; |

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| | | <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation;</p> <p>(d) borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed the aggregate of the paid-up share capital of the Company and its free reserves, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business;</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed five percent of its average net profits as determined in accordance with the provisions of Section 198 of the Act during the immediately preceding three financial years.</p> <p>Provided further that the powers specified in Section 179 of the Act, shall subject to these Articles be exercised only at a meeting of the Board unless the same be delegated to the extent therein stated.</p> |
| 148. | Compliance with the Secretarial Standard | The Company will also comply with the Secretarial Standard-1 issued by The Institute of Company Secretaries of India with respect to Meetings of the Board of Directors. |

(9) The Secretary

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| 149. | Secretary | The Directors may from time to time appoint a Secretary and, at their discretion, remove any such Secretary, to perform any functions which by the Act are to be performed by the Secretary, and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint any person or persons (who need not be the Secretary) to keep |
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| | | <p>the registers required to be kept by the Company, provided that if the paid-up capital of the Company is or exceeds Rs. 5 Crore, then in such event, the Company shall appoint a whole-time Secretary as provided in Section 203 of the Act and he shall possess such qualifications as may be prescribed from time to time by the Act.</p> |
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(10) SEAL

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| 150. | Seal and its use etc. | The Directors shall provide a Seal for the purposes of the Company and shall have the power from time to time to destroy the same and substitute a new seal in lieu thereof, and shall provide for the safe custody of the Seal, and the Seal shall, except as otherwise empowered under the Act or Rules thereunder, never be used except under the authority of the Directors or a Committee of Directors, and one Director shall sign every instrument to which the Seal is affixed. Provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable considerations shall be binding on the Company notwithstanding any irregularity touching upon the authority of the Directors to issue the same. |
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V DIVIDEND

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| 151. | Division of profit | The net profit of the Company shall subject to any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of the Act and of these Articles, be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively. |
| 152. | Capital paid in advance of calls | When capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits. |
| 153. | Declaration and payment of Dividends | The Company in a General Meeting may subject to the provisions of Section 123 of the Act declare a dividend to be paid to the members according to their respective rights and interest in the profit and may fix the time for payment. |
| 154. | Restrictions on amount of dividend | No dividend shall exceed the amount recommended by the Directors. However, the Company in a General Meeting may declare a smaller dividend than that recommended by the Directors. |
| 155. | Dividends out of profits only and not to carry interest | No dividend shall be payable except out of profit of the Company for the year or any other undistributed profits or |

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| | | otherwise than in accordance with the provisions of Section 123 of the Act and no dividend shall carry interest as against the Company. |
| 156. | What to be deemed net profits | Subject to the provisions of the Act, net profits as shown by the audited statement of profit and loss of the relevant year and adopted by the share-holders in a General Meeting shall be conclusive. |
| 157. | Interim Dividends | Subject to the provisions of the Act, the Board may from time to time, pay to the members such interim dividend as in their judgement the position of the Company justifies. |
| 158. | Debts may be deducted | The Board may retain any dividends in respect of shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagement in respect of which the lien exists. |
| 159. | Company may retain dividends | The Board may retain the dividend payable upon shares in respect of which any person is under the Transmission Articles entitled to become a member or whom any person under that Article is entitled to transfer until such person becomes a member or shall duly transfer the same. |
| 160. | Member not to receive any interest or dividend while indebted to the Company | No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any member, all sums of money so due from him to the Company. |
| 161. | Dividend and call together | Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on such members shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the call. |
| 162. | Distribution of surplus on realisation of capital assets | Subject to the provisions of the Act, a General meeting may resolve that any surplus money arising from the |

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| | | realisation of any capital asset of the Company, or any investment representing the same, or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital. |
| 163. | Any one of joint holders can give receipt | Any one of the several persons who are registered as joint holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share. |
| 164. | Payment by post | Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto or in the case of joint-holders to the registered address of that one whose name stands first on the Register in respect of the joint-holding or to such person and such address as the member or person entitled or such joint-holders, as the case may be, direct. |
| 165. | Company not liable or responsible for any cheque / warrant lost in transmission | The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend loss to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. Several executors or administrators of a deceased member in whose name any share stands, shall for the purposes of this clause be deemed to be the joint-holders thereof. |
| 166. | Unclaimed Dividends | No unclaimed dividend shall be forfeited and the Company shall comply with the requirements of Section 124 of the Act as regards any unpaid or unclaimed dividend declared by the Company. |
| 167. | When payment good discharge | Payment of every cheque or warrant sent under the provisions of Article 164 shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof. Provided nevertheless that the Company shall not be responsible for the loss of any cheque, dividend warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividend. |

VI BOOKS OF ACCOUNTS

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| 168. | Books of accounts to be kept | The books of accounts shall be kept at the Registered Office of the Company or at such place as the Directors think fit. |
| 169. | Inspection by members | Subject to the provisions of the Act, the Board shall from time to time determine whether, and to what extent and at what times and places and under what conditions or regulations the accounts and Books of the Company or any of them shall be open to inspection by members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Directors or by the Company in a General meeting. |
| 170. | | The Board may, before recommending any dividends, set aside, out of profits of the Company, such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve. |
| 171.(a) | Capitalisation | <p>Subject to the provisions of Section 63 and other applicable provisions of the Act, the Company may from time to time capitalise its profits and / or reserves for the purposes of issuing fully paid-up bonus shares to its members.</p> <p>The Company in a General meeting may resolve that any monies, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share</p> |

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| | | <p>Premium account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any un-issued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability of any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum provided that a Share Premium Account and a Capital Redemption Reserve Account may for the purposes of this Article be applied only in paying up any unissued shares to be issued to the members of the Company as fully paid bonus shares.</p> |
| (b) | | <p>A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital subject to the applicable provisions of the Act.</p> |
| (c) | | <p>For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any member upon the footing of the value so fixed or that fraction of less value than Rs.10/- may be disregarded in order to adjust the rights of all parties and may vest any such cash or specific assets in trustees upon such trust for the person</p> |

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| | | entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund and such appointment shall be effective. |
| 172.(a) | Appropriation and application of undivided profit | Whenever such resolutions as aforesaid shall have been passed, the Board shall- <ul style="list-style-type: none"> (i) make all appropriations and application of the undivided profits resolved to be capitalised thereby, and all allotments and issue of fully paid shares, if any; and (ii) generally do all acts and things required to give effect thereto. |
| (b) | Board's power in cases of fractional distribution of shares or debentures | The Board shall have full power:- <ul style="list-style-type: none"> (i) to make such provision by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and (ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payments by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares. |
| (c) | Effect of Agreement | Any agreement made under such authority shall be effective and binding on all such members. |

VII MISCELLANEOUS

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| 173. | How documents to be | A document (which expression for this |
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| | served on members | purpose shall be deemed to include and shall include any summon, notice, requisition, order, judgement or any other document in relation to or in the winding up of the Company) may be served or sent by the Company to any member either personally, electronically either through email or any other mode prescribed as electronic mode or by sending it by post to him to his registered address or (if he has no registered address in India) to the address if any within India supplied by him to the Company for the giving of notice to him or by any other prescribed mode mentioned under the Act. |
| 174. | To whom documents or notices must be served or given | Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore authorised on or to – (i) every member, (ii) every person entitled to a share in consequence of the death or insolvency of a member, (iii) the Auditor or auditors for the time being of the Company, (iv) the Directors of the Company, (v) Or any other person eligible as per the provisions of the Act and Rules made thereunder. |
| 175. | Service on members having no registered address | If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him, a document advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be fully served on him on the day on which the advertisement appears. |
| 176. | Advertisement | Subject to the provisions of the Act, any document required to be served or sent by the Company to the members, or any of them, and not expressly provided for by these presents, shall be deemed to be duly served or sent, if advertised once in a newspaper published in English language and another published in a vernacular language in the state of NCT of Delhi. |
| 177. | Members bound by document given to | Every person, who by operation of law, transfer or other means whatsoever, may |

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| | previous holders | become entitled to any share, shall be bound by every document in respect of such share which, previously to his name and address being entered on the Register, shall be duly served on or sent to the person from whom he derives his title to such share. |
| 178. | How notice to be signed | The signature to any notice to be given by the Company may be written or typed or printed. |
| 179. | Notice to joint holders | A notice may be given by the Company to the joint holders of a share by giving the notice to the joint-holder named first in the Register in respect of shares. Several executors or administrators of a deceased sole shareholder shall be deemed to be jointly entitled for the purpose of this article. |
| 180. | Indemnity | Subject to the provisions of the Act, every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified against and it shall be the duty of the Directors to pay out of the funds of the Company, all costs, losses and expenses (including travelling expenses) which any such Director, Manager or Secretary or other officer or employee may incur or become liable to by reason of any contract, entered into or any way in the discharge of his or their duties and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him or them as such Director, Manager, Secretary, Officer or employee in defending any proceedings, whether civil or criminal in which judgement is given in his or their favour or he or they is or are acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims. |
| 181. | Individual responsibility of Directors | Subject to the provisions of the Act and as far as such provisions permit, no Director, Auditor, Manager or other officer of the Company shall be liable for acts, receipts, neglects or defaults of any other Director, or officer, or for joining in |

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| | | any receipt or other act for conformity, or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage occasioned by any error of judgement, omission, default or oversight on his part, or for any loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty or wilful default. |
| 182. | Secrecy | Subject to the provisions of these Articles and the Act, no member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or of any matter whatsoever, which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Company to communicate. |
| 183. | Reconstitution | On any sale of the undertaking of the Company, the Directors or Liquidators on a winding up may, if authorised by a Special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other company, whether incorporated in India or not, either then existing or to be formed for the purpose in whole or in part of the property, undertaking or the business of the Company. The Liquidators (in a winding up) may distribute such shares or securities, or any other property of the Company amongst the contributories without realisation or vest the same in trustees for them and may if authorised by a Special Resolution provide for the distribution or appropriation of the case, |

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| | | shares or other securities, benefits or property otherwise than in accordance with the strict legal rights of the contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve, and the contributories shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto, save such statutory rights (if any) under the Act as are incapable of being varied or excluded by these presents. |
| 184. | Distribution of assets in winding up | Upon the winding up of the Company, the holders of Preference shares, if any, shall be entitled to be paid all arrears of preferential dividend up to the commencement of winding up and also to be repaid the amount of capital paid up or credited as paid up on such Preference shares held by them respectively, in priority to the Equity Shares; but shall not be entitled to any other further rights to participate in profit or assets subject as aforesaid and to the rights of any other holders of shares entitled to receive preferential payment over the Equity Shares. In the event of the winding up of the Company, the holders of the Equity Shares shall be entitled to be repaid the amount of capital paid up or credited as paid up on such shares and all surplus assets thereafter shall belong to the holders of the Equity Shares respectively, at the commencement of the winding up. If the assets shall be insufficient to repay the whole of the paid up Equity Capital such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members holding Equity Shares in proportion to the capital paid up or which ought to have been paid up on the Equity Shares held by them respectively at the commencement of the winding up, other than the amounts paid by them in advance of calls. |
| 185. | Distribution of assets in specie | If the Company shall be wound up, whether voluntarily or otherwise, the Liquidators may, with the sanction of a Special Resolution of the Company and |

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| | | any other sanction required by the Act, divide among the contributories in specie or kin, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them, as the Liquidators, with the like sanction shall think fit. |
| 186. | Supply of Copies Of Registers etc. | The Company shall comply with the provisions of the Act as to the supplying of copies of the Registers, Deeds, Documents, Instruments, Returns, Certificates and Books therein mentioned to the persons therein specified when so required by such persons on payment of the charges, if any prescribed by the relevant provisions of the Act and as per the fee, time-line and other procedural compliances, as may be decided by the Board or any Committee of the Board. |
| 187. | Inspection of Registers and relevant records | Under any provisions of the Act, any person, whether a member of the Company or not, is entitled to inspect any Register, Return, Certificate, Deed, Instrument or Document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 11.00 a.m. to 1.00 p.m. or during such hours as the Directors may from time to time prescribe on such business days as the Act required them to be open for inspection. |

| S.No. | Name, address, description and occupation of subscribers | Signature of subscribers | Signature, names, address, descriptions and occupations of witness to the signatures of subscribers. |
|-------|--|--------------------------|--|
| 1 | Ram Gopal Saraf (Business) S/o. Late Sh. Durga Dutt Saraf H-34, Green Park Extn., New Delhi | Sd/- | <p style="text-align: center;">Witness to all Signatures of Subscribers sd/- (YASH BARRY) F.C.A</p> <p style="text-align: center;">S/o. Sh. Kedar Nath Barry & Company Chartered Accountants 1687 Arya Samaj Road, Karol Bagh, New Delhi</p> |
| 2 | Sham Sunder Saraf (Business) S/o Late Sh. Durga Dutt Saraf H-34, Green Park Extn., New Delhi | Sd/- | |
| 3 | Naresh Chand Jain (Business) S/o. Late Sh. Faquir Chand Jain H-34, Green Park Extn., New Delhi | Sd/- | |
| 4 | Maj. Shiv Lal Chhibber (Business) S/o. Mehta Hans Raj Chhibber H-63, N.D.S.E I New Delhi | Sd/- | |
| 5 | Sushil Kumar Gupta (Business) S/o. Sh. Chaman Lal Gupta E-71, Kirti Nagar New Delhi | Sd/- | |
| 6 | Vineeta Gupta (Business) W/o. Sh. Sushil Kumar Gupta E-71, Kirti Nagar New Delhi | Sd/- | |
| 7 | Piara Lal Gupta (Business) S/o. Late Sh. Ram Rattan Gupta E-71, Kirti Nagar New Delhi | Sd/- | |

New Delhi

Dated 29th day of October, 1980

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL JURISDICTION)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT AND DEMERGER

BETWEEN

COMPANY APPLICATION NO. 1743/2009

IN

COMPANY PETITION NO. 16/2008

CONNECTED WITH

COMPANY APPLICATION (M) NO. 153/2007

IN THE MATTER OF

M/s Asian Hotels Ltd.,

Petitioner/Transferor Company

having its Regd. Office at :

Bhikaji Cama Place,

M.G. Marg, New Delhi -110067

AND

IN THE MATTER OF

M/s Chilwinds Hotels Ltd.,

Petitioner/Transferee Company No.1

having its Regd. Office at:

D4, Qutub Hotel & Apartments,

Shaheed Jeet Singh Marg, New Delhi-110016

IN THE MATTER OF

M/s Vardhman Hotels Ltd.,

Petitioner/Transferee Company No.2

having its Regd. Office at:

145, Tribhuvan Complex, Ishwar Nagar,

Mathura Raod, New Delhi-110065

BEFORE HON'BLE MR. JUSTICE SUDERSHAN KUMAR MISRA

DATED THIS THE 13TH DAY OF JANUARY, 2010

ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956

The above petition came up for hearing on 13/01/2010 for sanction of Amended Scheme of Arrangement and Demerger proposed to be made between M/s Asian Hotels Ltd. (hereinafter referred to as the Transferor Company) and M/s Chilwinds Hotels Ltd. and M/s Vardhman Hotels Ltd. (hereinafter referred to as the Transferee Companies) in two stages: Stage-I being the demerger of Mumbai Undertaking from Transferor Company and be vested in Transferee Company No.1 and Stage-2 being the demerger of Kolkata Undertaking from Transferor Company and be vested in Transferee Company No.2. Subsequently, on 09/04/2008 on an application filed by the petitioners, this Court permitted modification of first paragraph of Clause 5.3.1, and Clause 6.12 of the Scheme. Subsequently, on 29/05/2008 and 18/08/2008 on applications filed by the Petitioners, this Court permitted further amendments to the Scheme of Arrangement and Demerger. The Petitioners further filed CA No. 1094/2008 and CA No. 1486/2009 proposing further amendments to the Scheme of Arrangement and Demerger whereby the requirement of convening and holding the meetings of the Equity Shareholders of the Transferor Company were ordered to be convened in CA No. 793/2009 dated 29/05/2009 for the purpose of considering and if thought fit approving with or without modification, the Amended Scheme of Arrangement and Demerger and the publication in the newspapers namely (1) Statesman (English) and (2) Veer Arjun (Hindi) dt. 16/11/2009 containing the advertisement of the notice; the affidavits of Sh. Gaurav Liberhan, Chairperson filed on 26/11/2009 showing the publication and despatch of the notices convening the said meeting, the report of the Chairperson of the meeting as to the result of the meeting.

Upon hearing Sh. Rajiv Nayyar, Sr. Advocate with Mr. Anirudh Das and Mr. Sahil Sharma, Advocates for the Petitioner and Mr. Raisuddin, Dy. Registrar of Companies in person and it appearing from the reports that the Amended Scheme of Arrangement and Demerger has been approved unanimously without any modification by the said Equity Shareholders of the Transferor Company present and voting either in person or by proxy and Regional Director, Northern Region, Ministry of Company Affairs, Noida on behalf of Central Government stating inter-alia that the Central Government has no objection to the proposed Amended Scheme of Arrangement and Demerger and there being no investigation proceedings pending in relation to the Petitioner Companies under Section 235 to 251 of the Companies Act, 1956.

THIS COURT DOETH HEREBY SANCTION THE AMENDED SCHEME OF ARRANGEMENT AND DEMERGER set forth in Schedule-I annexed hereto and Doth hereby declare the same to be binding on all the Equity Shareholders and Creditors of the Transferor and Transferee Companies and all concerned and doth approve the said Scheme of arrangement and Demerger with effect from the appointed date i.e. 31/10/2009.

AND THIS COURT DOTH FURTHER ORDER AS UNDER:

- 1(a). That all the property, rights and powers of the Bombay Undertaking of the Transferor Company specified in the First, Second and Third part of the Schedule-II hereto and all other property, rights and powers of the Bombay Undertaking of the Transferor Company be transferred without further act or deed to the Transferee Company No.1 and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company No. 1 for all the estate and interest of the Bombay undertaking of the Transferor Company therein but subject nevertheless to all charges now affecting the same; and
- 2(a). That all the liabilities and duties of the Bombay Undertaking of the Transferor Company be transferred without further act or deed to the Transferee Company No. 1 and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company No. 1; and
- 3(a). That all the proceedings now pending by or against the Bombay Undertaking of the Transferor Company be continued by or against the Transferee Company No. 1; and
- 4(a). That the Transferee Company No. 1 do without further application allot to such members of the Transferor Company as have not given such notice of dissent as is required by clause 5.4 of Part-V of the Scheme given in the Scheme of arrangement and Demerger herein the share in the Transferee Company No. 1 to which they are entitled under the said Arrangement and Demerger; and
- 5(a). That the Transferor Company do within five weeks after the date of this order cause a certified copy of this order to be delivered to Registrar of Companies for registration. It is clarified that this order will not be construed as an order granting exemption from payment of stamp duty, that is payable in accordance with law; and
- 1(b). That all the property, rights and powers of the Kolkata Undertaking of the Transferor Company specified in the First, Second and Third parts of the Schedule-II hereto and all other property, rights and powers of the Kolkata Undertaking of the Transferor Company be transferred without further act or deed to the Transferee Company No.2 and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company No. 2 for all the estate and interest of the Kolkata undertaking of the Transferor Company therein but subject nevertheless to all charges now affecting the same; and
- 2(b). That all the liabilities and duties of the Kolkata undertaking of the Transferor Company be transferred without further act or deed to the Transferee Company No.2 and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company No.2; and
- 3(b). That all the proceedings now pending by or against the Kolkata Undertaking of the Transferor Company be continued by or against the Transferee Company No. 2; and
- 4(b). That the Transferee Company No. 2 do without further application allot to such members of the Transferor Company as have not given such notice of dissent as is required by clause 5.4 of Part-V of the scheme given in the Scheme of Arrangement and Demerger herein the shares in the Transferee Company No. 2 to which they are entitled under the said Arrangement and Demerger; and
- 5(b). That the Transferor Company do within five weeks after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration. It is clarified that this order will not be construed as an order granting exemption from payment of stamp duty, that is payable in accordance with law; and
6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

**SCHEME OF ARRANGEMENT AND DEMERGER
BETWEEN
ASIAN HOTELS LIMITED
AND ITS SHAREHOLDERS AND CREDITORS
AND
CHILLWINDS HOTELS LIMITED
AND ITS SHAREHOLDERS
AND
VARDHMAN HOTELS LIMITED
AND ITS SHAREHOLDERS**

PART - I

1. INTRODUCTION, DEFINITIONS AND INTERPRETATION

1.1 Introduction

1.1.1 Asian Hotels Limited

- (i) Asian Hotels Limited ("**AHL**") is a public limited company incorporated under the Companies Act, 1956, having its registered office at Bhikaji Cama Place, M.G. Road, New Delhi- 110066.
 - (ii) The main objects of AHL are as follows:
 - (a) *To acquire by purchase, lease, exchange hire or otherwise, lands, plots, buildings and hereditaments of any tenure or description situated in Union Territory of Delhi or elsewhere in the Indian Union and any estate or interest and rights therein in particular by constructing, reconstructing altering, improving, decorating, furnishing and maintaining hotels, motels, restaurants, dining rooms, bars, catering rooms, garages, stables, lodging houses, commercial buildings, farm house, warehouses, clubs, health clubs, dressing rooms, beauty Saloons, baths, laundry rooms, reading, writing and library rooms, indoor and outdoor play grounds and stadiums, swimming pools, theatre, opera and Cinema houses, museum and Art rooms video and other fun game rooms, race courses, meditation centres, boating clubs, flying clubs, freezing-hot-preservation and baking chambers and other apartments, showrooms, shops and conveniences of all kinds and by consolidating or connecting or subdividing properties and by leasing, hiring and disposing of same.*
 - (b) *To carry on the business of establishing and operating of hotels, restaurants Inns, Cinemas, Cafe, tavern, beerhouse, refreshment room and lodging house keepers, licensed, victuallers, wine, beer and spirit merchants, brewers, maltsters, distillers, importers and manufacturers of aerated, mineral and artificial waters and other drinks, purveyors, caterers, whether in meals provided door or outdoor, carriage, taxi, motor car and motor lorry proprietors, livery stable keepers job masters, farmers dairymen, ice merchants, importers and dealers of all kinds of foods and foodstuffs, vegetarian or non-vegetarian, live and dead stocks, whether half prepared, fully prepared or in raw form, colonial and foreign produce of all descriptions, hotelware, hair dressers, perfumers, chemists, proprietors of clubs, night clubs health clubs seminar fashion show and cultural programme, bath, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds, fun games, places of amusement, recreation, sports, games entertainments and instruction of all kinds, tobacco, cigar and cigarettes merchants, agents for railways, roadways, airways and shipping companies and transporters and carriers, the article and opera box office, proprietors.*
 - (c) *To act as consultants, managers, operators, advisers, planners, valuers to and impart technical know in the field of planning construction, operation of hotels, restaurants, recreation entertainment centres and in the field of tourism industry whether in India or abroad.*
 - (d) *To subscribe for, acquire, hold, sell and otherwise deal in shares, stock, debentures, debenture-stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any Company (body corporate or undertaking) of whatever nature and wheresoever constituted or carrying on business in shares, stocks, debentures, debenture-stock, bonds, mortgages, obligations and other securities issued or guaranteed by any government, sovereign, ruler, commissioners, trust, municipal, local or other authority or body of whatever nature, whether in India or elsewhere.*
 - (iii) AHL is presently engaged in three segmented businesses and runs and operates three distinct hotel undertakings. The three undertakings of AHL are as follows:
 - (a) the hotel undertaking at Delhi ("**Delhi Undertaking**");
 - (b) the hotel undertaking at Kolkata, together with its investments ("**Kolkata Undertaking**"); and
 - (c) the hotel undertaking at Mumbai, together with its investments ("**Mumbai Undertaking**").
 - (iv) The equity shares of AHL are listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited.
- 1.1.2 Chillwinds Hotels Limited**
- (i) Chillwinds Hotels Limited ("**Transferee Company- I**") is a company incorporated under the Companies Act, 1956 and having its registered office at D-4, Qutub Hotel and Apartments, Shaheed Jeet Singh Marg, New Delhi-16. Transferee Company-I is a wholly owned subsidiary of the Transferor Company.
 - (ii) The main objects of Transferee Company-I are as follows:
 - (a) *To acquire by purchase, lease, exchange hire or otherwise lands, plots, buildings and hereditaments of any tenure or description situated in anywhere in India and any estate or interest and rights therein in particular by constructing, reconstructing, altering,*

improving, decorating, furnishing and maintaining hotels, motels, restaurants, reverts, dining rooms, bars, catering rooms, garages, stables, lodging houses, commercial buildings, farm house, warehouses, clubs, health clubs, dressing rooms, beauty saloons, , baths, laundry rooms, reading, writing and library rooms, indoor and outdoors play grounds and stadiums, swimming pool, theatre, opera and cinema houses, internet cafe, museum and art rooms, video and other fun games room, race courses, meditation centers, boating clubs, flying clubs, freezing hot-preservation and baking chambers and by consolidating or connecting or subdividing properties and by leasing hiring and disposing of same,

- (b) To carry on the business of establishing and operating of hotels, restaurants, inns, resorts, cinema, cafe, tavern, beerhouse, bars, business and commercial centers, refreshment rooms and lodging house keepers, licensed victuallers, wine, beer and, brewers, maltsters, distillers, importers and manufacturers of aerated mineral and artificial waters and other drinks, purveyors, caterers, whether in meals provided door or outdoor, carriage, taxi, motor car and motor lorry proprietors, livery stable keepers job masters, farmers dairymen, ice merchants, importers and dealers of all kinds of food and foodstuff, vegetarian and non vegetarian, live or dead stocks, whether half prepared, fully prepared or raw form, colonial and foreign produce of all descriptions, hotelware, hairdressers, perfumers, chemists, proprietors of clubs, night clubs, seminar, fashions shows and cultural programmes, bath, dressing rooms, grounds, places of amusements, recreation, sports, games, conduct tours and travels, entertainment and instruction of all kinds, tobacco, cigar and cigarettes merchants, agents for railways, roadways, airways and shipping companies and transporters and earners, the articles and opera box office proprietors.
- (c) To act as consultants, managers, trainers, operators, advisers, hotel management advisors, planners, valuers to and impart technical know-how, in the field of planning, construction, operations of hotels, restaurants, resorts, recreation and entertainment centres and in the field of hospitality and tourism industry whether in India or abroad.
- (d) To deal with or to act as an investors by the way of acquiring, holding, selling, buying, transferring, subscribing any shares, bonds, stocks, debentures, or any other securities, of any kind, issued by or guaranteed by any government, public body, authority, state, sovereign, commissioners, trusts, provincial, municipal body, or otherwise, whether in India or elsewhere and to act as guarantors, financiers, underwriters, and to lend money or deal with money, either with or without interest to such individuals, firms, body corporates, and institutions and upon such terms and conditions as the Company may deem expedient but not amounting to banking business as defined under the Banking Regulations Act, 1949.

1.1.3 Vardhman Hotels Limited

(i) Vardhman Hotels Limited ("**Transferee Company- II**") is a company incorporated under the Companies Act, 1956 and having its registered office at 145, Tribhuvan Complex, Ishwar Nagar, Mathura Road, New Delhi- 110065. Transferee Company-II is a wholly owned subsidiary of the Transferor Company.

(ii) The main objects of Transferee Company-II are as follows:

- (a) To acquire by purchase, lease, exchange hire or otherwise lands, plots, buildings and hereditaments of any tenure or description situated in anywhere in India and any estate or interest and rights therein in particular by constructing, reconstructing, altering, improving, decorating, furnishing and maintaining hotels, motels, restaurants, reverts, dining rooms, bars, catering rooms, garages, stables, lodging houses, commercial buildings, farm house, warehouses, clubs, health clubs, dressing rooms, beauty saloons, , baths, laundry rooms, reading, writing and library rooms, indoor and outdoors play grounds and stadiums, swimming pool, theatre, opera and cinema houses, internet cafe, museum and art rooms, video and other fun games room, race courses, meditation centers, boating clubs, flying clubs, freezing hot preservation and baking chambers and by consolidating or connecting or subdividing properties and by leasing hiring and disposing of same,
- (b) To carry on the business of establishing and operating of hotels, restaurants, inns, resorts, cinema, cafe, tavern, beerhouse, bars, business and commercial centers, refreshment rooms and lodging house keepers, licensed victuallers, wine, beer and, brewers, maltsters, distillers, importers and manufacturers of aerated mineral and artificial waters and other drinks, purveyors, caterers, whether in meals provided door or outdoor, carriage, taxi, motor car and motor lorry proprietors, livery stable keepers job masters, farmers dairymen, ice merchants, importers and dealers of all kinds of food and foodstuff, vegetarian and non vegetarian, live or dead stocks, whether half prepared, fully prepared or raw form, colonial and foreign produce of all descriptions, hotelware, hairdressers, perfumers, chemists, proprietors of clubs, night clubs, seminar, fashions shows and cultural programmes, bath, dressing rooms, grounds, places of amusements, recreation, sports, games, conduct tours and travels, entertainment and instruction of all kinds, tobacco, cigar and cigarettes merchants, agents for railways, roadways, airways and shipping companies and transporters and earners, the articles and opera box office proprietors.
- (c) To act as consultants, managers, , trainers, operators, advisers, hotel management advisors, planners, valuers to and impart technical know-how, in the field of planning, construction, operations of hotels, restaurants, resorts, recreation and entertainment centres and in the field of hospitality and tourism industry whether in India or abroad.
- (d) To deal with or to act as an investors by the way of acquiring, holding, selling, buying, transferring, subscribing any shares, bonds, stocks, debentures, or any other securities, of any kind, issued by or guaranteed by any government, public body, authority, state, sovereign, commissioners, trusts, provincial, municipal body, or otherwise, whether in India or elsewhere and to act as guarantors, financiers, underwriters, and to lend money or deal with money, either with or without interest to such individuals, firms, body corporates, and institutions and upon such terms and conditions as the Company may deem expedient but not amounting to banking business as defined under the Banking Regulations Act, 1949.

1.1.4 The current economic buoyancy is likely to continue over the succeeding few years in relation to the hospitality industry considering the economic growth in all regions in India and this provides opportunity for growth in all states in India. The promoters of AHL are constituted in three major groups since inception as follows:

- (i) The Jatia group represented by Mr. Shiv Jatia;
- (ii) The Gupta group represented by Mr. Sushil Gupta; and
- (iii) The Saraf group represented by Mr. Umesh Saraf.

Each of the three groups as mentioned above have independent interests in the hospitality industry, which may create potential conflicts of interest situations amongst the three groups inter-se, which could affect shareholders' interest. In view thereof and with the end and intent of (i) minimising the potential conflicts of interest within the three groups of promoters in AHL and (ii) maximizing

growth and future prospects of all the undertakings of AHL, it is proposed that the Mumbai Undertaking and the Kolkata Undertaking be transferred and vested in Transferee Company-I and Transferee Company-II, respectively, through a scheme of arrangement and demerger.

1.1.5 The restructuring would result in enhancement of shareholder value, leading to operational efficiencies and synergies and enable each of the three promoter groups to vigorously pursue growth and acquisition opportunities for AHL Residual and the two resultant transferee companies.

1.1.6 The demerger, transfer and vesting of the Mumbai Undertaking and the Kolkata Undertaking in Transferee Company-I and Transferee Company-II, respectively, in accordance with this Scheme shall take place from the Effective Date but with effect from the Appointed Date and shall be in accordance with Section 2 (19AA) of the Income Tax Act, 1961.

1.1.7 Conduct of Business Between Appointed Date and Effective Date

- (i) With effect from the Appointed Date and up to the Effective Date, AHL shall carry on and shall be deemed to have carried on all its business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all its assets on account of, and in trust for:
 - (a) AHL Residual Company with respect to the business and assets pertaining to AHL Residual Undertaking,
 - (b) Transferee Company-I with respect to the business and assets pertaining to Mumbai Undertaking, and
 - (c) Transferee Company-II with respect to the business and assets pertaining to Kolkata Undertaking.
- (ii) With effect from the Appointed Date and up to the Effective Date, all the profits or incomes accruing or arising to AHL, or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by AHL shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or taxes of:
 - (a) AHL Residual Company with respect to profits or incomes pertaining to AHL Residual Undertaking and the expenditure or losses pertaining to AHL Residual Undertaking,
 - (b) Transferee Company-I with respect to profits or incomes pertaining to Mumbai Undertaking and the expenditure or losses pertaining to Mumbai Undertaking, and
 - (c) Transferee Company-II with respect to profits or incomes pertaining to Kolkata Undertaking and the expenditure or losses pertaining to Kolkata Undertaking.
- (iii) AHL shall carry on the businesses pertaining to AHL Residual Undertaking, Mumbai Undertaking and Kolkata Undertaking with reasonable diligence and in the same manner as it had been doing hitherto.
- (iv) All debts, liabilities, duties and obligations which arise or accrue on or after the Appointed Date with respect to any of AHL Residual Undertaking or Mumbai Undertaking or Kolkata Undertaking, shall be deemed to be the debts, liabilities, duties and obligations of AHL Residual Undertaking or Mumbai Undertaking or Kolkata Undertaking, as the case may be, whether or not provided in the books of account of AHL.
- (v) Before the Appointed Date, AHL shall receive the share application money aggregating to Rs. 3,11,00,00,400/- from Fineline Holdings Limited or its nominees and/or associates for subscription of 57,59,260 FCPS in AHL and the share application money aggregating to Rs. 29,99,99,700/- from Global Operations Pte Ltd. or its nominees and/or associates, for subscription of 5,55,555 FCPS in AHL and then AHL shall issue and allot the requisite number of FCPS to Fineline Holdings Limited or its nominees and/or associates and Global Operations Pte Ltd. or its nominees and/or associates, respectively, prior to the Effective Date only in accordance with Clause 5.3 hereof, which will be deemed to have been allotted as of the Appointed Date. Such allotment would relate back to the Appointed Date and the allocation of FCPS, preference share capital and related securities premium account would be deemed to have been allocated as of the Appointed Date.

1.2 Definitions & Interpretations

1.2.1 In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meanings as set out hereinbelow:

"Act" means the Companies Act, 1956 (1 of 1956), the rules and regulations made thereunder and will include any statutory modifications or re-enactment thereof.

"AHL" has the meaning assigned to it in Clause 1.1.1(i) above.

"AHL Residual Company/ AHL Residual/ AHL Residual Undertaking" is the term used to refer to the residual AHL, as would emerge immediately after the transfer and vesting of the Mumbai Undertaking and the Kolkata Undertaking in Transferee Company-I and Transferee Company-II, respectively, including 99,00,000 1% non-convertible redeemable preference shares of Rs. 10/- each issued in AHL at a premium of Rs. 80/- per share, for the aggregate value of Rs. 89,10,00,000/- and such residual company shall have the obligation to pay dividends and redeem such preference shares.

"Appointed Date" means October 31, 2009.

"Board of Directors" in relation to each of AHL, Transferee Company-I and Transferee Company-II, as the case may be, shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.

"Effective Date" has the meaning assigned to it in Clause 6.12 hereof.

"High Court" mean the Hon'ble High Court of Delhi at New Delhi.

"Kolkata Undertaking" means and includes the following:

- (a) all assets whether movable or immovable, tangible or intangible, including all rights, title, interest, covenant, undertakings, including continuing rights, title and interest in connection with the land and the buildings thereon whether, corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or moveable, and whether leased or otherwise, including inventory and work in progress, together with all present and future liability including contingent liabilities and debts appertaining thereto, of AHL all of which relate to the Kolkata Undertaking;

For the purpose of identification, the immovable properties of the Kolkata Undertaking are more fully set out in **Schedule I**

hereof;

- (b) all investments (including the shares held in G.J.S. Hotels Limited and Regency Convention Centre and Hotels Limited), loans and advances (including accrued interest thereon, along with advances for purchase of certain shares of Regency Convention Centre and Hotels Limited from other shareholders thereof, and provisions against such advances) of AHL appertaining to the Kolkata Undertaking;
- (c) all debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, pertaining to the Kolkata Undertaking;
- (d) all permits, quotas, rights, entitlements, licenses, approvals, consents, tenancies, offices and depots, trademarks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, easements, powers and facilities of every kind and description whatsoever appertaining to the Kolkata Undertaking;
- (e) all employees and contract labour engaged in the Kolkata Undertaking at their respective offices, branches, depots, shops at their current terms and conditions; and
- (f) cash in bank of a minimum of Rs. 251 Crores and all earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to the Kolkata Undertaking.

"Mumbai Undertaking" means and includes the following:

- (a) all assets whether movable or immovable, tangible or intangible, including all rights, title, interest, covenant, undertakings, including continuing rights, title and interest in connection with the land and the buildings thereon whether, corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or moveable, and whether leased or otherwise, including inventory and work in progress, together with all present and future liability including contingent liabilities and debts appertaining thereto, of AHL all of which relate to the Mumbai Undertaking;

For the purpose of identification, the immovable properties of the Mumbai Undertaking are more fully set out in **Schedule II** hereof;

- (b) all investments (including investments in Aria Consultancy Services India Private Limited*), loans and advances, including accrued interest thereon, of AHL appertaining to the Mumbai Undertaking, including deposits/ advances paid towards acquisition of immovable property in Bangalore;
- (c) 99,00,000 1% non-convertible redeemable preference shares of Rs. 10/- each issued at a premium of Rs. 80/- per share, for the aggregate value of Rs. 89,10,00,000/- together with the obligation to pay dividends and redeem the said preference shares;
- (d) all debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, pertaining to the Mumbai Undertaking (including debts, borrowings and liabilities incurred in relation to Aria Consultancy Services India Private Limited*);
- (e) all permits, quotas, rights, entitlements, licenses, approvals, consents, tenancies, offices and depots, trademarks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, easements, powers and facilities of every kind and description whatsoever appertaining to the Mumbai Undertaking;
- (f) all employees and contract labour engaged in the Mumbai Undertaking at their respective offices, branches, depots, shops at their current terms and conditions; and
- (g) all earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to the Mumbai Undertaking.

"NCLT" has the meaning assigned to it in Clause 1.2.3 hereof.

"Record Date" has the meaning assigned to it in Clause 5.4.1 hereof.

"Scheme" means this Scheme of Arrangement and Demerger in its present form, with or without modifications, as may be approved for sanction by the Hon'ble High Court.

"Transferee Company-I" has the meaning assigned to it in Clause 1.1.2(i) above.

"Transferee Company-II" has the meaning assigned to it in Clause 1.1.3(i) above.

- 1.2.2 Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date.
- 1.2.3 The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Hon'ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal ("**NCLT**") or such other forum or authority, as may be vested with any of the powers of a High Court under the Act.
- 1.2.4 The SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("**DIP Guidelines**") issued by the Securities and Exchange Board of India ("**SEBI**") have been rescinded and replaced by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**") notified on August 26, 2009, circular no. SEBI/CFD/SCRR/01/2009/03/09, dated September 3, 2009 issued by the SEBI and certain other notifications issued by the SEBI. Therefore, all references to DIP Guidelines, wherever appearing in the Scheme, shall now be substituted by the corresponding provisions of the ICDR Regulations and/ or the applicable SEBI circulars/ notifications and shall be construed in the context and reference to the ICDR Regulations.

* Name being changed to "Aria Hotels and Consultancy Services Private Limited". All corporate actions required for change of name have been completed and requisite forms and applications are being filed with the Registrar of Companies for approval of change in name.

PART - II**2. SHARE CAPITAL****2.1 AHL**

The capital structure of AHL, as on 1st September, 2007 is as under:

| Authorized Share Capital | Amount in Rupees |
|--|-------------------------|
| 4,00,00,000 equity shares of Rs. 10/- each | 40,00,00,000 |
| 3,00,00,000 preference shares of Rs. 10/- each | 30,00,00,000 |
| Total | 70,00,00,000 |

| Issued and Subscribed share capital | Amount in Rupees |
|--|-------------------------|
| 2,28,03,564 equity shares of Rs. 10/- each | 22,80,35,640 |
| 2,00,00,000 1% non-convertible redeemable preference shares of Rs. 10/- each | 20,00,00,000 |
| Total | 42,80,35,640 |

| Paid-up Share Capital | Amount in Rupees |
|--|-------------------------|
| 2,28,03,564 equity shares of Rs. 10/- each | 22,80,35,640 |
| 1,00,00,000 1% non-convertible redeemable preference shares of Rs. 10/- each | 10,00,00,000 |
| Total | 32,80,35,640 |

Share Application Money – received from Magus Estates & Hotels Private Limited - in respect of 1,00,00,000 1% non- convertible redeemable preference shares of Rs. 10/- each, including securities premium of Rs. 80/- per share **90,00,00,000**

redeemable preference shares of Rs. 10/- each, including securities premium of Rs. 80/- per share

Note: The share application money in respect of 1,00,00,000/- 1% non-convertible redeemable preference shares of Rs. 10/- each, has been received and shares have been allotted, and accordingly, the 'Paid Up Share Capital' and the 'Issued and Subscribed Share Capital' are identical.

2.2 Transferee Company-I

The capital structure of Transferee Company-I, as on June 30, 2007 is as under:

| Authorized Share Capital | Amount in Rupees |
|-------------------------------------|-------------------------|
| 50,000 equity shares of Rs. 10 each | 5,00,000 |
| Total | 5,00,000 |

| Issued and Subscribed and Paid-up share capital | Amount in Rupees |
|--|-------------------------|
| 50,000 equity shares of Rs. 10 each | 5,00,000 |
| Total | 5,00,000 |

2.3 Transferee Company-II

The capital structure of Transferee Company-II, as on June 30, 2007 is as under:

| Authorized Share Capital | Amount in Rupees |
|-------------------------------------|-------------------------|
| 50,000 equity shares of Rs. 10 each | 5,00,000 |
| Total | 5,00,000 |

| Issued and Subscribed and Paid-up share capital | Amount in Rupees |
|--|-------------------------|
| 50,000 equity shares of Rs. 10 each | 5,00,000 |
| Total | 5,00,000 |

PART - III

3. DEMERGER, TRANSFER AND VESTING OF THE MUMBAI UNDERTAKING IN TRANSFeree COMPANY - I

3.1 Upon this Scheme becoming effective, the Mumbai Undertaking shall stand demerged from AHL and be vested in Transferee Company-I, without any further deed or act, together with all properties, assets, rights, benefits and interest therein, subject to existing charges or *lis pendens*, if any thereon, in favour of banks and financial institutions, with effect from the Appointed Date.

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

- (i) any and all assets relating to the Mumbai Undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme shall stand transferred and vested by AHL to Transferee Company-I and shall become the property and an integral part of Transferee Company-I. The transfer and vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery and possession or negotiation and endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialised form) upon its transfer and vesting in Transferee Company-I;
- (ii) any and all movable properties of AHL relating to the Mumbai Undertaking, other than those specified in sub-clause (i) 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, be transferred and vested as the property of Transferee Company-I;
- (iii) any and all immovable properties (including land together with the buildings and structures standing thereon) of AHL relating to the Mumbai Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in Transferee Company-I, without any act or deed done by AHL or Transferee Company-I. **Schedule II** sets out the immovable properties pertaining to the Mumbai Undertaking. With effect from the Effective Date, Transferee Company-I shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of Transferee Company-I shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective with effect from the Appointed Date, in accordance with the terms hereof without any further act or deed on part of Transferee Company-I (save and except for filing the sanction order relating to the Scheme with the Registrar of Companies, NCT of Delhi and Haryana);
- (iv) any and all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not or disclosed in the books of accounts of AHL relating to the Mumbai Undertaking, including those relating to EPCG licenses relating to the Mumbai Undertaking, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company-I and Transferee Company-I undertakes to meet, discharge and satisfy the same.

It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;

- (v) any and all contracts, agreements, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements and other instruments of whatsoever nature in relation to the Mumbai Undertaking, to which AHL is a party or to the benefit of which, the Mumbai Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect, on or against or in favour of Transferee Company-I and may be enforced as fully and effectually as if, instead of AHL, Transferee Company-I had been a party or beneficiary or obligee thereto.

All contractors engaged by AHL for use of contract labourers in relation to the Mumbai Undertaking, shall be deemed to have been engaged by Transferee Company-I in the same manner as other contractual arrangements referred above;

- (vi) all permits, no objection certificates, permission, approvals, consents, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Mumbai Undertaking to which AHL is a party or to the benefit of which AHL may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in Transferee Company-I without any further act or deed done by AHL and Transferee Company-I and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Transferee Company-I upon the vesting and transfer of the Mumbai Undertaking pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of the Transferee Company-I, and may be enforced by Transferee Company-I as fully and effectually as if, instead of AHL, Transferee Company-I had been the original party or beneficiary or obligee thereto;

Upon the Scheme becoming effective, with effect from the Appointed Date, any such statutory and regulatory no-objection certificates, licenses, permissions, consents, approvals, authorisations or registrations, as are jointly held for the Mumbai Undertaking and the AHL Residual Undertaking, including the statutory licenses, permissions or approvals or consents required to carry on the operations in the AHL Residual Undertaking, 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 or record the separation, pursuant to the filing of this Scheme as sanctioned by the Hon'ble High Court, with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations in Transferee Company-I without hindrance or let from the Effective Date.

The benefit of all statutory and regulatory permissions, factory licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Mumbai Undertaking shall vest in and become available to Transferee Company-I pursuant to the Scheme;

- (vii) all permanent employees of AHL, engaged in or in relation to the Mumbai Undertaking shall be engaged by Transferee Company-I, with the benefit of continuity of service and on such terms and conditions, as are no less favourable than those on which they are currently engaged by AHL.

With regard to provident fund, gratuity fund, superannuation fund or any other special fund or any other special scheme created or existing for the benefit of such employees of AHL, upon the Scheme becoming effective, the existing amounts, whether held by way of cash and/or investments, in the gratuity fund, provident fund and superannuation fund trusts, if any, created by AHL for its employees including employees of the Mumbai Undertaking shall be pro rata transferred to the gratuity fund, provident fund and superannuation fund schemes carried on by Transferee Company-I on the same terms and conditions in relation to the employees of AHL being transferred to Transferee Company-I. With effect from the Effective Date, Transferee Company-I shall make the necessary contributions for such transferred employees of AHL in relation to the existing gratuity fund, superannuation fund, provident fund benefits and benefits under any other special fund or scheme. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Mumbai Undertaking in relation to such schemes or funds shall become those of Transferee Company-I. It is clarified that the services of all transferred employees of AHL, to Transferee Company-I will be treated as having been continuous for the purpose of the aforesaid schemes or funds.

Transferee Company-I agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the permanent employees engaged in the Mumbai Undertaking, the past services of such employees with AHL shall also be taken into account and agrees and undertakes to pay the same as and when payable. Transferee Company-I shall continue to abide by any agreement(s)/ settlement(s) entered into with any labour unions/employees by AHL in relation to the Mumbai Undertaking;

- (viii) Transferee Company-I shall bear the burden and enjoy the benefits of any legal or other proceedings relating to or in connection with the Mumbai Undertaking, initiated by or against AHL. If any suit, appeal or other proceedings relating to the Mumbai Undertaking, of whatsoever nature by or against AHL 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 Transferee Company-I in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against AHL, as if this Scheme had not been made. Transferee Company-I undertakes to have such legal or other proceedings relating to or in connection with the Mumbai Undertaking, initiated by or against AHL, transferred in its name and to have the same continued, prosecuted and enforced by or against Transferee Company-I to the exclusion of AHL. Transferee Company-I also undertakes to deal with all legal or other proceedings, which may be initiated by or against the Mumbai Undertaking or Transferee Company-I after the Effective Date, but relating to the Mumbai 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 AHL. Transferee Company-I 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 Mumbai Undertaking for the period up to the Effective Date. Any reasonable costs incurred by AHL, in respect of the proceedings started by or against it relating to the Mumbai Undertaking and for the period from the Appointed Date, up to the Effective Date shall be reimbursed by Transferee Company-I, upon submission of necessary evidence of having incurred such costs by AHL to Transferee Company-I; and
- (ix) all taxes, duties, cess payable by AHL relating to the Mumbai Undertaking for the period after the Appointed Date including all or any refunds/credit/claims relating thereto shall be treated as the liability or refunds/credit/claims, as the case may be, of Transferee Company-I, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds/credit/claims relating to the Mumbai Undertaking shall continue to be borne by the AHL Residual Undertaking.

- 3.3 The AHL Residual Undertaking and Transferee Company-I, as the case may be, shall 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, will execute deeds of confirmation or novation other writings or arrangements with any party to any contract or arrangement in relation to the Mumbai Undertaking to which AHL is a party as may be required to formalise the effectiveness of the Scheme. Provided however that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to the Scheme from the Appointed Date. Transferee Company-I shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of AHL and to carry out or perform all such formalities or compliances referred to above on part of AHL.
- 3.4 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, tax holidays, incentives, concessions and other authorizations, shall stand vested by the order of sanction of the Hon'ble High Court in Transferee Company-I, Transferee Company-I shall file the relevant intimations, for the record of the statutory authorities who shall take them on file to mutate them in the name of Transferee Company-I without any further act or deed, provided however that for statistical purpose if any application has to be lodged with details of Transferee Company-I, Transferee Company-I shall do so and relevant statutory/ competent authorities shall continue the benefit of such permissions, approvals, permits, etc. to be provided to Transferee Company-I pursuant to the sanction order in relation to this Scheme without any reconsideration.
- 3.5 For the purpose of giving effect to the vesting order passed under Sections 391, 394 and other applicable provisions of the Act, in respect of this Scheme, Transferee Company-I shall at any time pursuant to the orders on this Scheme be entitled to get the recordal

of the change in the legal right(s) upon the vesting of such assets of the Mumbai Undertaking in accordance with the provisions of Sections 391, 394 and other applicable provisions of the Act. AHL and Transferee Company-I shall jointly and severally be authorised to execute any writings as are required to remove any difficulties and carry out any formalities or compliance for the implementation of this Scheme.

3.6 Conduct of business

- 3.6.1 With effect from the Effective Date, Transferee Company-I shall commence and carry on and shall be authorized to carry on the business of the Mumbai Undertaking, carried on by AHL.
- 3.6.2 Transferee Company-I unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Mumbai Undertaking with effect from the Effective Date, in order to give effect to the foregoing provisions.
- 3.6.3 With effect from the Appointed Date and until occurrence of the Effective Date, the business of AHL pertaining to Mumbai Undertaking shall be carried on in the manner provided in Clause 1.1.7 hereof.

PART - IV

4. DEMERGER, TRANSFER AND VESTING OF THE KOLKATA UNDERTAKING IN TRANSFeree COMPANY-II

4.1 Upon this Scheme becoming effective, the Kolkata Undertaking shall stand demerged from AHL and be vested in Transferee Company-II, without any further deed or act, together with all properties, assets, rights, benefits and interest therein, subject to existing charges or *lis pendens*, if any thereon, in favour of banks and financial institutions with effect from the Appointed Date.

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

- (i) any and all assets relating to the Kolkata Undertaking, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme shall stand transferred and vested by AHL to Transferee Company-II and shall become the property and an integral part of Transferee Company-II. The transfer and vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery and possession or negotiation and endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialised form) upon its transfer and vesting in Transferee Company-II;
- (ii) any and all movable properties of AHL relating to the Kolkata Undertaking, other than those specified in sub-clause (i) 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, be transferred and vested as the property of Transferee Company-II;
- (iii) any and all immovable properties (including land together with the buildings and structures standing thereon) of AHL relating to the Kolkata Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in Transferee Company-II, without any act or deed done by AHL or Transferee Company-II. **Schedule I** sets out the Immovable properties pertaining to the Kolkata Undertaking. With effect from the Effective Date, Transferee Company-II shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties and transfer of the leasehold and other rights therein, as applicable, in the name of Transferee Company-II shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective with effect from the Appointed Date, in accordance with the terms hereof without any further act or deed on part of Transferee Company -II (save and except for filing the sanction order relating to the Scheme with the Registrar of Companies, NCT of Delhi and Haryana);
- (iv) any and all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not or disclosed in the books of accounts of AHL relating to the Kolkata Undertaking, including those relating to EPCG licenses relating to the Kolkata Undertaking, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company-II and Transferee Company-II undertakes to meet, discharge and satisfy the same.

It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;

- (v) any and all contracts, agreements, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements and other instruments of whatsoever nature in relation to the Kolkata Undertaking, to which AHL is a party or to the benefit of which, the Kolkata Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect, on or against or in favour of Transferee Company-II and may be enforced as fully and effectually as if, instead of AHL, Transferee Company-II had been a party or beneficiary or obligee thereto.

All contractors engaged by AHL for use of contract labourers in relation to the Kolkata Undertaking, shall be deemed to have been engaged by Transferee Company-II in the same manner as other contractual arrangements referred above;

- (vi) all permits, no objection certificates, permission, approvals, consents quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copy rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Kolkata Undertaking to which AHL is a party or to the benefit of which AHL may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand transferred to and vested in Transferee Company-II without any further act or deed done by AHL and Transferee Company-II and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Transferee Company-II upon the vesting and transfer of the Kolkata Undertaking pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of the Transferee Company-II, and may be enforced by Transferee Company-II as fully and effectually as if, instead of AHL, Transferee Company-II had been the original party or beneficiary or obligee thereto;

Upon the Scheme becoming effective, with effect from the Appointed Date, any such statutory and regulatory no-objection certificates, licenses, permissions, consents, approvals, authorisations or registrations, as are jointly held for the Kolkata Undertaking and the AHL Residual Undertaking, including the statutory licenses, permissions or approvals or consents required to carry on the operations in the AHL Residual Undertaking, 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 or record the separation, pursuant to the filing of this Scheme as sanctioned by the Hon'ble High Court, with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations in Transferee Company-II without hindrance or let from the Effective Date.

The benefit of all statutory and regulatory permissions, factory licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Kolkata Undertaking shall vest in and become available to Transferee Company-II pursuant to the Scheme;

- (vii) all permanent employees of AHL, engaged in or in relation to the Kolkata Undertaking shall be engaged by Transferee Company-II, with the benefit of continuity of service and on such terms and conditions, as are no less favourable than those on which they are currently engaged by AHL.

With regard to gratuity fund, provident fund and superannuation fund or any other special fund or any other special scheme created or existing for the benefit of such employees of AHL, upon the Scheme becoming effective, the existing amounts, whether held by way of cash and/or investments, in the gratuity fund, provident fund and superannuation fund trusts created by AHL for its employees including employees of the Kolkata Undertaking shall be pro rata transferred to the gratuity fund, provident fund and superannuation fund schemes carried on by Transferee Company-II on the same terms and conditions in relation to the employees of AHL being transferred to Transferee Company-II. With effect from the Effective Date, Transferee Company-II shall make the necessary contributions for such transferred employees of AHL in relation to the existing gratuity fund, superannuation fund, provident fund benefits and benefits under any other special fund or scheme. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Kolkata Undertaking in relation to such schemes or funds shall become those of Transferee Company-II. It is clarified that the services of all transferred employees of AHL, to Transferee Company-II will be treated as having been continuous for the purpose of the aforesaid schemes or funds.

Transferee Company-II agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the permanent employees engaged in the Kolkata Undertaking, the past services of such employees with AHL shall also be taken into account and agrees and undertakes to pay the same as and when payable. Transferee Company-II shall continue to abide by any agreement(s)/ settlement(s) entered into with any labour unions/employees by AHL in relation to the Kolkata Undertaking;

- (viii) Transferee Company-II shall bear the burden and enjoy the benefits of any legal or other proceedings relating to or in connection with the Kolkata Undertaking, initiated by or against AHL. If any suit, appeal or other proceedings relating to the Kolkata Undertaking, of whatsoever nature by or against AHL 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 Transferee Company-II in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against AHL, as if this Scheme had not been made. Transferee Company-II undertakes to have such legal or other proceedings relating to or in connection with the Kolkata Undertaking, initiated by or against AHL, transferred in its name and to have the same continued, prosecuted and enforced by or against Transferee Company-II to the exclusion of AHL. Transferee Company-II also undertakes to deal with all legal or other proceedings, which may be initiated by or against the Kolkata Undertaking or Transferee Company-II after the Effective Date, but relating to the Kolkata 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 AHL. Transferee Company-II 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 Kolkata Undertaking for the period up to the Effective Date. Any reasonable costs incurred by AHL, in respect of the proceedings started by or against it relating to the Kolkata Undertaking and for the period from the Appointed Date, up to the Effective Date shall be reimbursed by Transferee Company-II, upon submission of necessary evidence of having incurred such costs by AHL to Transferee Company-II; and
- (ix) all taxes, duties, cess payable by AHL relating to the Kolkata Undertaking for the period after the Appointed Date including all or any refunds/credit/claims relating thereto shall be treated as the liability or refunds/credit/claims, as the case may be, of Transferee Company-II, provided however that any direct and indirect taxes that cannot specifically be earmarked as the liability or refunds/credit/claims relating to the Kolkata Undertaking shall continue to be borne by the AHL Residual Undertaking.

4.3 The AHL Residual Undertaking and Transferee Company-II, as the case may be, shall 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, will execute deeds of confirmation or novation other writings or arrangements with any party to any contract or arrangement in relation to the Kolkata Undertaking to which AHL is a party as may be required to formalise the effectiveness of the Scheme. Provided however that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to the Scheme from the Appointed Date. Transferee Company-II shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of AHL and to carry out or perform all such formalities or compliances referred to above on part of AHL.

4.4 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, tax holidays, incentives, concessions and other authorizations, shall stand vested by the order of sanction of the Hon'ble High Court in Transferee Company-II, Transferee Company-II shall file the relevant intimations, for the record of the statutory authorities who shall take them on file to mutate them in the name of Transferee Company-II without any further act or deed, provided however that for statistical purpose if any application has to be lodged with details of Transferee Company-II, Transferee Company-II shall do so and relevant statutory/ competent authorities shall continue the benefit of such permissions, approvals, permits, etc. to be provided to Transferee Company-II pursuant to the sanction order in relation to this Scheme without any reconsideration.

4.5 For the purpose of giving effect to the vesting order passed under Sections 391, 394 and other applicable provisions of the Act in respect of this Scheme, Transferee Company-II shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the legal right(s) upon the vesting of such assets of the Kolkata Undertaking in accordance with the provisions of Sections 391, 394 and other applicable provisions of the Act. AHL and Transferee Company-II shall jointly and severally be authorised to execute any writings as are required to remove any difficulties and carry out any formalities or compliance for the implementation of this Scheme.

4.6 Conduct of business

4.6.1 With effect from the Effective Date, Transferee Company-II shall commence and carry on and shall be authorized to carry on the business of the Kolkata Undertaking, carried on by AHL.

4.6.2 Transferee Company-II unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Kolkata Undertaking with effect from the Effective Date, in order to give effect to the foregoing provisions.

4.6.3 With effect from the Appointed Date and until occurrence of the Effective Date, the business of AHL pertaining to Kolkata Undertaking shall be carried on in the manner provided in Clause 1.1.7 hereof.

PART - V

5. ENTITLEMENT OF MEMBERS OF AHL; INCREASE IN THE AUTHORISED CAPITAL OF TRANSFeree COMPANY-I AND TRANSFeree COMPANY-II, ACCOUNTING TREATMENT, AND MATTERS RELATING TO SHARE CAPITAL ETC.

5.1 Increase in authorized share capital of Transferee Company-I

5.1.1 Upon this Scheme coming into effect and with effect from the Effective Date, the authorized share capital of Transferee Company-I of Rs. 5,00,000/- divided into 50,000 equity shares of Rs. 10/- each, in terms of Clause V of its Memorandum of Association shall stand enhanced to an amount of Rs. 14,00,00,000/- towards equity shares of Rs. 10/- each, and an amount of Rs. 11,00,00,000/- towards preference shares of Rs. 10/- each.

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

"The Authorized Share Capital of the Company is Rs. 25,00,00,000/- divided into 1,40,00,000 equity shares of Rs. 10/- each, and 1,10,00,000 preference shares of Rs. 10/- each."

5.1.3 It is hereby clarified that for the purposes of this Clause, the consent of the shareholders of Transferee Company-I to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under Section 16, Section 81, Section 94 or any other applicable provisions of the Act, would required to be separately passed by Transferee Company-I.

5.1.4 In the event of any fees being required to be paid for increase in the authorized share capital of Transferee Company-I, Transferee Company-I is permitted to make such payments between the date of pronouncement of the sanction order in relation to this Scheme from the High Court and lodgment thereof with the Registrar of Companies, NCT of Delhi and Haryana.

5.2 Increase in authorized share capital of Transferee Company-II

5.2.1 Upon this Scheme coming into effect and with effect from the Effective Date, the authorized share capital of Transferee Company-II of Rs. 5,00,000/- divided into 50,000 equity shares of Rs. 10/- each, in terms of Clause V of its Memorandum of Association shall stand enhanced to an amount of Rs. 14,00,00,000/- towards equity shares of Rs. 10/- each, and an amount of Rs. 1,00,00,000/- towards preference shares of Rs. 10/- each.

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

"The Authorized Share Capital of the Company is Rs.15,00,00,000/- divided into 1,40,00,000 equity shares of Rs. 10/- each, and 10,00,000 preference shares of Rs. 10/- each."

5.2.3 It is hereby clarified that for the purposes of this Clause, the consent of the shareholders of Transferee Company-II to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under Section 16, Section 81, Section 94 or any other applicable provisions of the Act, would required to be separately passed by Transferee Company-II.

5.2.4 In the event of any fees being required to be paid for increase in the authorized share capital of Transferee Company-II, Transferee Company-II is permitted to make such payments between the date of pronouncement of the sanction order in relation to this Scheme from the High Court and lodgment thereof with the Registrar of Companies, NCT of Delhi and Haryana.

5.3 Raising of additional capital in AHL

5.3.1 Consent of the shareholders of AHL shall be deemed to be sufficient authority for the issuance of 63,14,815 1% fully convertible preference shares of Rs. 10/- each ('FCPS') at a premium of Rs. 530/- per preference share, i.e. at an issue price of Rs.540/- each by AHL for an aggregate amount of Rs.3,41,00,00,100/-, within 15 days after the receipt of the formal drawn up and sanction order in Form 42 of the Companies (Court) Rules, 1959 of the High Court in relation to the Scheme (as amended by the present amendment).

The objects of the aforesaid issue on preferential allotment basis are to facilitate the trifurcation of AHL as envisaged in this Scheme. The proceeds of the above issue may be allocated, for the purposes of utilization, by the Board of Directors of AHL, to the respective undertakings as per the expansion/financial plans of the three undertakings or otherwise.

The FCPS shall be convertible, in one or more tranches, into equity shares of face value of Rs. 10 each of the respective companies, i.e. AHL Residual Company, Transferee Company – I, or Transferee Company – II, as the case may be (based on allocation of FCPS in terms of the Scheme), any time during the period commencing seven months after the commencement of the trading of the equity shares of the respective companies by the Bombay Stock Exchange, being the designated stock exchange, and ending on the expiry of eighteen months from the date of issuance thereof, as may be decided by the respective subscribers to the FCPS from time to time. In the event any subscriber does not exercise the option to convert the FCPS into equity shares within the aforementioned period, the FCPS held by such subscriber would compulsorily get converted into equity shares at the end of eighteen months period from the date of issuance thereof.

The relevant date for the purposes of conversion of FCPS shall be a date 30 days prior to the date on which the holder of the FCPS becomes entitled to apply for conversion as above.

The FCPS shall be converted by AHL Residual, Transferee Company-I and Transferee Company-II into their respective equity shares at a price calculated in accordance with the formula prescribed in Clause 13.1.1.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("DIP Guidelines").

The FCPS referred to above shall be issued as follows:

- (i) 57,59,260 FCPS for an aggregate value of Rs. 3,11,00,00,400/- shall be issued by AHL to Fineline Holdings Limited, a company incorporated under the laws of Mauritius and having its registered office at 1st Floor, Manor House, Cnr St. George/Chazal Streets, Port Louis, Mauritius. It is a foreign corporate body wholly owned by the Jatia group, one of the promoter groups of AHL.

The said 57,59,260 FCPS may be issued either to Fineline Holdings Limited or its nominees and/or associates. Hence, all references in this Scheme relating to and in connection with issuance of the said FCPS to Fineline Holdings Limited or the subscription of the said FCPS by Fineline Holdings Limited shall be construed accordingly.

- (ii) 5,55,555 FCPS for an aggregate value of Rs. 29,99,99,700/- shall be issued by AHL to an independent private equity investor, namely Global Operations Pte. Ltd., a company incorporated under the laws of Singapore, having its registered office at 17, Philip Street # 05-01, Grand Building, Singapore 048695, or its nominees and/or associates, who are not promoters or persons acting in concert with the promoters, directly or indirectly.

While carrying out the share allotment in accordance with this Scheme, AHL shall not be required to reserve any shares in respect of the FCPS issued in accordance with this Clause 5.3.1.

5.3.2 The conversion of the FCPS issued to Fineline Holdings Limited shall be subject to the condition that if the promoter equity shareholding in AHL Residual exceeds 75% of the total issued capital then the excess equity shareholding of the promoters and the persons acting in concert with them (upon conversion) in AHL Residual shall be reduced in accordance with one or more of the options presently provided in Clause 40A of the Equity Listing Agreement, including by way of private placement to dilute their shareholding or by sale of promoter shares to non-promoters and persons who are not acting in concert.

5.4 Entitlement of members of AHL to receive shares of Transferee Company-I and Transferee Company-II

5.4.1 Upon coming into effect of this Scheme and upon vesting of the Mumbai Undertaking in Transferee Company-I and Kolkata Undertaking in Transferee Company-II, AHL Residual shall determine a record date ("**Record Date**") being a date post filing of the sanction order of this Scheme with the Registrar of Companies, which it shall intimate to Transferee Company-I and Transferee Company-II for completion of all allotments of shares to the shareholders of AHL in accordance with this Scheme.

5.4.2 Upon coming into effect of this Scheme and upon vesting in and transfer of the Mumbai Undertaking in Transferee Company-I, and the Kolkata Undertaking in Transferee Company-II, with effect from the Appointed Date and after the appropriation of reserves as provided for in Clause 5.5.1:

- (i) for every 3 equity shares of Rs. 10/- held in AHL after appropriation of reserves as provided for in Clause 5.5.1, as on the Record Date, every equity shareholder of AHL shall be entitled to receive (a) 1 equity share of face value of Rs. 10/- each of Transferee Company-I, credited as fully paid-up, (b) 1 equity share of face value of Rs. 10/- each of Transferee Company-II, credited as fully paid-up, and (c) 1 equity share of face value of Rs. 10/- each of AHL Residual Undertaking, credited as fully paid-up.
- (ii) for every 1,00,00,000 1% non-convertible redeemable preference share of Rs. 10/- each held in AHL:
 - (a) Magus Estates and Hotels Private Limited shall be entitled to receive 1,00,000 1% non-convertible redeemable preference shares of face value of Rs. 10/- each of Transferee Company-I, credited as fully paid-up; 1,00,000 1% non-convertible redeemable preference shares of face value of Rs. 10/- each of Transferee Company-II, credited as fully paid-up; and 98,00,000 1% non-convertible redeemable preference shares of face value of Rs. 10/- each, credited as fully paid-up shall continue to be retained by Magus Estates and Hotels Private Limited in AHL Residual Undertaking.
 - (b) Infrastructure Development Finance Company Limited shall be entitled to receive 98,00,000 1% non-convertible redeemable preference shares of face value of Rs. 10/- each of Transferee Company-I, credited as fully paid-up; 1,00,000 1% non-convertible redeemable preference shares of face value of Rs. 10/- each of Transferee Company-II, credited as fully paid-up; and 1,00,000 1% non-convertible redeemable preference shares of face value of Rs. 10/- each, credited as fully paid-up shall continue to be retained by Infrastructure Development Finance Company Limited in AHL Residual Undertaking.
- (iii) for 57,59,260 FCPS of an aggregate value of Rs. 311,00,00,400/- held in AHL, Fineline Holdings Limited shall be entitled to receive 18,520 FCPS of Transferee Company-I, credited as fully paid-up, the aggregate value of which is Rs. 1,00,00,800/-; 18,520 FCPS of Transferee Company-II, credited as fully paid-up, the aggregate value of which is Rs. 1,00,00,800/-; and 57,22,220 FCPS, credited as fully paid-up, the aggregate value of which is Rs. 3,08,99,98,800 shall continue to be retained by Fineline Holdings Limited in AHL Residual Undertaking.
- (iv) for 5,55,555 FCPS of an aggregate value of Rs. 29,99,99,700 held in AHL, Global Operations Pte. Ltd. or its nominees and/or associates, shall be entitled to receive 9,260 FCPS of Transferee Company-I, credited as fully paid-up, the aggregate value of which is Rs. 50,00,400/-; 9,260 FCPS of Transferee Company-II, credited as fully paid-up, the aggregate value of which is Rs. 50,00,400/-; and 5,37,035 FCPS, credited as fully paid-up, the aggregate value of which is Rs. 28,99,98,900 shall continue to be retained in AHL Residual Undertaking.

5.4.3 Each shareholder of AHL shall have the option, to be exercised by way of giving a notice to Transferee Company-I and Transferee Company-II, as applicable, on or before such date as may be determined by the board of directors of Transferee Company-I and Transferee Company-II, as applicable, in this regard, to receive the shares of Transferee Company-I and Transferee Company-II, either in certificate form or in dematerialized form. It is clarified that in the event of non-receipt of the aforesaid notice or in the event of such a notice being incomplete, the shareholders of AHL who hold their shares in a dematerialized form shall be issued the shares of Transferee Company-I and Transferee Company-II, as may be applicable, in the dematerialized form as per the records maintained

by the Depositories as on the Record Date and those who hold the shares in physical form shall be issued certificates. Wherever applicable, the certificates shall be sent by Transferee Company-I and Transferee Company-II to the shareholders of AHL at their respective registered addresses by insured post, as appearing in the register maintained by AHL with respect to its members (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such registers in respect of such joint holding).

5.4.4 In the event the aforesaid allotment of shares result in fractional entitlements, the board of directors of AHL shall be empowered to nominate a committee of Board of Directors or any such person, as the Board of AHL may appoint in this behalf who shall be authorized to consolidate all such fractional entitlements of AHL equity shares into whole equity shares of AHL and seek resultant entitlements of equity shares in respect of those consolidated fractional shares from the board of directors of the AHL Residual Undertaking, Transferee Company-I and Transferee Company-II. On receipt of resultant entitlements of shares of AHL Residual Undertaking, Transferee Company-I and Transferee Company-II, such committee or such person acting as a trustee shall be bound by the express understanding to cause the sale of such equity shares at such price(s), at such time(s) and to such person(s), other than promoters and persons acting in concert with them, as the trustee may deem fit and the trustee shall deposit the net sale proceeds of such sale (after deduction therefrom the expenses incurred, if any, in connection with the sale) with the AHL Residual Undertaking, which shall be disbursed to the fractional entitlement holders, subject to withholding tax, if any.

5.4.5 The equity shares in the capital of Transferee Company-I and Transferee Company-II, issued to the shareholders of AHL, as aforesaid, shall rank *pari passu* in all respects, with the existing equity shares in Transferee Company-I and Transferee Company-II, as applicable, from the Effective Date, including payment of dividend, as applicable.

The terms and conditions of the non-convertible redeemable preference shares and FCPS to be issued by Transferee Company-I and Transferee Company-II and to be retained in AHL Residual Undertaking in accordance with Clause 5.4.2 above shall be same as those pertaining to the non-convertible redeemable preference shares and FCPS issued by AHL.

5.4.6 All shareholders of AHL whose names shall appear on the register of members of AHL as on the Record Date, shall surrender their share certificates for cancellation thereof to AHL in accordance with the procedure stipulated by AHL. AHL shall, on receipt of the share certificates from the shareholders, cancel the submitted share certificates and issue fresh share certificates to the shareholders for such number of shares as those shareholders are entitled to in the AHL Residual Undertaking. All such fresh share certificates shall be sent by AHL to the shareholders at their registered address as appearing in the said register of members and AHL shall not be responsible for any loss in transmission. In the event any shareholder of AHL fails to submit the share certificate(s) of AHL held by it to AHL, the said share certificate(s) of AHL shall be deemed to have been cancelled and fresh share certificate(s) shall be issued to such shareholder for such number of shares as the shareholder is entitled to in AHL Residual Undertaking. Such fresh share certificate(s) shall be sent by AHL to the shareholders at the registered address as appearing in the register of members and AHL shall not be responsible for any loss in transmission. The fresh share certificate(s) so issued to the shareholder of AHL shall be issued by AHL under a new range of distinctive numbers and the old range of distinctive numbers under which the cancelled share certificate(s) was issued shall automatically stand cancelled.

5.4.7 Share certificates in respect of the non-convertible redeemable preference shares and the FCPS issued by AHL shall stand cancelled in so far as and in respect of such number of shares, which are allocated, to the Transferee Company-I or the Transferee Company-II in pursuance of this Scheme and in respect of which the Transferee Company-I and the Transferee Company-II are required to issue fresh share certificates to the respective preference shareholders.

5.5 Accounting Treatment and Allocation of Reserves

5.5.1 The equity share allotment ratio stated in Clause 5.4.2 above has been determined by the board of directors of AHL, Transferee Company-I and Transferee Company-II, based on their independent judgment and taking into consideration the Capital Allocation Fairness Report provided by an independent valuer, i.e. S.S. Kothari Mehta and Company. The allocation of capital shall be deemed to be arrived at in the following manner:

- a) By appropriation of the general reserves of AHL as on the Appointed Date, to the extent of Rs.11,40,17,820/- to increase the deemed paid up equity share capital of AHL, pre-demerger, to Rs. 34,20,53,460/-;
- b) The deemed increased equity share capital of AHL shall be equally allocated to the three undertakings at demerger so that each of AHL Residual Undertaking, Transferee Company-I and Transferee Company-II shall have the paid up equity share capital of Rs. 11,40,17,820/- each at demerger as a result of this Scheme.

5.5.2 Transferee Company-I shall upon this Scheme coming into effect, with effect from the Appointed Date, record the assets and liabilities of the Mumbai Undertaking vested in it pursuant to this Scheme, at their respective book values provided by the statutory auditor of AHL.

5.5.3 Transferee Company-II shall upon this Scheme coming into effect, with effect from the Appointed Date, record the assets and liabilities of the Kolkata Undertaking vested in it pursuant to this Scheme, at their respective book values provided by the statutory auditor of AHL.

5.5.4 AHL shall upon this Scheme coming into effect, with effect from the Appointed Date, record the assets and liabilities of the AHL Residual Undertaking vested in it pursuant to this Scheme, at their respective book values provided by the statutory auditor of AHL.

5.5.5 Upon the Scheme coming into effect, with effect from the Appointed Date and subject to any corrections and adjustments as may, in the opinion of the board of directors of Transferee Company-I, and Transferee Company-II be required to be made, the individual reserves of AHL shall be accounted for and dealt with in the books of account of AHL, Transferee Company-I and Transferee Company-II in the following manner:

- (a) The general reserve of AHL as on the Appointed Date, shall be diminished for a sum of Rs. 11,40,17,820/- to increase the deemed paid up equity share capital of AHL as on the Appointed Date.
- (b) Subject to (a) above, all reserves, other than securities premium reserve and revaluation reserve of AHL immediately prior to the Appointed Date, shall be divided in equal proportion between AHL Residual Undertaking, Transferee Company-I and Transferee Company-II. As regards the profits generated or losses incurred between the Appointed Date and the Effective Date, the credit or debit, as the case may be, for the same shall be passed on to the respective undertaking on actual accrual basis.
- (c) The securities premium account arising on the issue of 1,00,00,000 1% non-convertible redeemable preference shares in AHL to Infrastructure Development Finance Company Limited shall be transferred to Transferee Company-I, Transferee Company-II and AHL Residual Undertaking in the following proportions:
- | | |
|--------------------------|----------------------|
| Transferee Company-I | : Rs. 78,40,00,000/- |
| Transferee Company-II | : Rs. 80,00,000/- |
| AHL Residual Undertaking | : Rs. 80,00,000/- |
- (d) The securities premium account arising on the issue of 1,00,00,000 1% non-convertible redeemable preference shares in AHL to Magus Estates and Hotels Private Limited shall be transferred to Transferee Company-I, Transferee Company-II and AHL Residual Undertaking in the following proportions:
- | | |
|--------------------------|----------------------|
| Transferee Company-I | : Rs. 80,00,000/- |
| Transferee Company-II | : Rs. 80,00,000/- |
| AHL Residual Undertaking | : Rs. 78,40,00,000/- |
- (e) The securities premium account arising on the issue of 57,59,260 FCPS in AHL to Fineline Holdings Limited shall be transferred to Transferee Company-I, Transferee Company-II and AHL Residual Undertaking in the following proportions:
- | | |
|-------------------------|------------------------|
| Transferee Company – I | : Rs. 98,15,600/- |
| Transferee Company – II | : Rs. 98,15,600/- |
| AHL Residual | : Rs. 3,03,27,76,600/- |
- (f) The securities premium account arising on the issue of 5,55,555 FCPS in AHL to Global Operations Pte Limited or its nominees and/or associates, shall be transferred to Transferee Company-I, Transferee Company-II and AHL Residual Undertaking in the following proportions:
- | | |
|-------------------------|----------------------|
| Transferee Company – I | : Rs. 49,07,800/- |
| Transferee Company – II | : Rs. 49,07,800/- |
| AHL Residual | : Rs. 28,46,28,550/- |
- (g) The revaluation reserves relating to the hotel land and buildings pertaining to the AHL Residual Undertaking shall be retained in AHL Residual Undertaking.

5.5.6 In each of Transferee Company-I and Transferee Company-II, the accounting shall respectively be as under:

- (a) all fixed and current assets, investments, loans and advances of the transferred undertaking will be accounted for at book value;
- (b) all liabilities taken over will be accounted for at book value;
- (c) all reserves as are allocated to them as detailed in Clause 5.5.5 above;
- (d) the equity share capital, and preference share capital as detailed in the Scheme;
- (e) the security premium account as detailed in Clause 5.5.5 above.
- (f) the balance after deducting (b), (c), (d) and (e) from (a) shall be credited to general reserve of Transferee Company-I and Transferee Company-II, respectively.

In AHL Residual Undertaking, the loss arising from the restructuring and transfer of the Kolkata Undertaking and the Mumbai Undertaking shall be set off against revaluation reserve.

5.6 Listing of securities

Equity shares issued and/or deemed to be reissued pursuant to the allocation under the Scheme by Transferee Company-I, Transferee Company-II and AHL Residual, shall, subject to applicable regulations, be listed and admitted to trading, without any lock-in conditions on the National Stock Exchange, and the Bombay Stock Exchange, where the securities of AHL are listed and are admitted to trading. Transferee Company-I and Transferee Company-II shall be constituted as public companies and their authorized capital would stand substantially enhanced pursuant to this Scheme. They shall also comply with the principles of corporate governance, applicable to directors, appointment of independent directors, audit committees and other relevant provisions, prior to listing.

However, FCPS issued pursuant to Clause 5.3.1 hereof and the equity shares resulting there from shall be subject to lock-in in accordance with the provisions of Chapter XIII of the DIP Guidelines.

5.7 Change in name

Upon this Scheme becoming effective¹:

- (i) the name of AHL shall be deemed to have been changed to "Asian Hotels (North) Limited" or "AHL (North) Limited", as may be permitted by the Registrar of Companies;
- (ii) the name of Transferee Company-I shall be deemed to have been changed to "Asian Hotels (West) Limited" or "AHL (West) Limited", as may be permitted by the Registrar of Companies; and
- (iii) the name of Transferee Company-II shall be deemed to have been changed to "Asian Hotels (East) Limited" or "AHL (East) Limited", as may be permitted by the Registrar of Companies.

5.8 Inter-se transfer of shares amongst groups of promoters or within promoter groups during pendency of Scheme and thereafter

The shareholding of the promoters in AHL is more particularly described in Schedule III hereto. The shareholders of the Jatia Group at serial nos. 1 to 15 of Schedule III constitute a group in accordance with the provisions of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("Takeover Code"). The shareholders of the Gupta Group at serial nos. 16 to 45 of Schedule III constitute a group in accordance with the provisions of Regulation 3(1)(e) of the Takeover Code. The shareholders of the Saraf Group at serial nos. 46 to 48 of Schedule III constitute a group in accordance with the provisions of Regulation 3(1)(e) of the Takeover Code. The cost of acquisition of the promoter shares in AHL shall be relevant for determination of the cost of acquisition of shares in Transferee Company-I and Transferee Company-II. Any inter-se transfer within or between the Jatia Group, Gupta Group and Saraf Group in any of AHL Residual, Transferee Company-I and Transferee Company-II shall constitute exempt transfers under the Takeover Code, subject to statutory filings under Regulation 3(3) and 3(4) of the Takeover Code, and other compliance requirements, if any, under the Takeover Code. The shareholding of the promoters in AHL listed in Schedule III and which have been held by qualifying promoters for more than 3 years shall be deemed to have been held for the same duration in Transferee Company-I and Transferee Company-II as these are resultant shareholdings and this recognition shall be available on the listing and/or inter-se transfer of securities of Transferee Company-I and Transferee Company-II. Statutory exemptions for inter-se transfer of promoter shareholding is deemed to be available for the shareholding of the Jatia Group, Gupta Group and Saraf Group in AHL Residual, Transferee Company-I and Transferee Company-II in relation to any transfer of shares between them.

5.9 Effect of redemption of the non-convertible redeemable preference shares in terms of issuance thereof as amended :

In the event,

- i. any of the 1,00,00,000 1% non-convertible redeemable preference shares of Rs.10/- each held in AHL by Magus Estates and Hotels Private Limited; and/or
- ii. any of the 1,00,00,000 1% non-convertible redeemable preference shares of Rs.10/- each held in AHL by Infrastructure Development Finance Company Limited

are redeemed by AHL in terms of issuance thereof as amended, at any point in time prior to this Scheme becoming effective in terms of Clause 6.12 hereof, the entitlement to receive the non-convertible redeemable preference shares to be held by Magus Estates and Hotels Private Limited and/or Infrastructure Development Finance Company Limited, as the case may be, in Transferee Company-I, Transferee Company-II and AHL Residual Undertaking in terms of Clause 5.4.2 (ii) shall respectively stand reduced proportionately on the Effective date of the Scheme to the extent of such redemption.

Consequently, the aggregate value of non-convertible redeemable preference share capital, corresponding number of non-convertible redeemable preference shares and the value of related Securities Premium Account to be apportioned to Transferee Company-I, Transferee Company-II and AHL Residual Undertaking, wherever referred to/occurring in this Scheme shall stand modified/reduced proportionately, as above. Similarly, Capital Redemption Reserve Account created on redemption of non-convertible redeemable preference shares in pursuance of Section 80 of the Act, shall also be apportioned to Transferee Company-I, Transferee Company-II and AHL Residual Undertaking in proportion to the capital redeemed out of the capital allocated under Clause 5.4.2 (ii) hereof.

Similarly, appropriate adjustments shall be made in respect of redemption of non-convertible preference shares, if any, made between the Appointed Date and the Effective Date to achieve the essence of the foregoing provisions.

¹ The three original companies will reserve these names and such reserved names will be valid till the Effective Date of the Scheme.

PART - VI

6. GENERAL/RESIDUAL TERMS AND CONDITIONS

- 6.1 The accounts of AHL as on the Appointed Date shall be reconstructed in accordance with the terms of the Scheme. The balance sheet of Transferee Company-I and Transferee Company-II shall also be reconstructed in accordance with the terms of this Scheme. The audited segmented balance sheet of AHL, as of March 31, 2007, as adopted by the Board of Directors of AHL, describing the assets and liabilities pertaining to the Delhi Undertaking, the Mumbai Undertaking and the Kolkata Undertaking, respectively, is enclosed herewith as Schedule IV. The certified segmented undertaking-wise balance sheet of AHL as on October 31, 2009 (the Appointed Date) after giving effect to the terms of this Scheme, shall be filed with the Hon'ble Delhi High Court and also dispatched to the equity shareholders of AHL seven days prior to the date of equity shareholders' meeting, as convened under the directions of the Hon'ble Delhi High Court, to approve the amendments to the Scheme. The certified segmented undertaking-wise balance sheet as on October 31, 2009 shall be incorporated in this Scheme as Schedule-V. Further, the audited balance sheets of AHL Residual Company, Transferee Company-I and Transferee Company-II, as re-constructed in accordance with this Scheme, shall also be filed with the Hon'ble Delhi High Court along with the Schedule of Assets as prescribed in Form-42 of the Companies (Court) Rules, 1959, and the same shall be incorporated and be an integral part of this Scheme, as Schedule-VI. Such accounts shall, post the sanction of this Scheme of Arrangement and Demerger, be dispatched by AHL, Transferee Company-I and Transferee Company-II to the equity shareholders who are eligible to receive separate balance sheets from each of the respective companies.
- 6.2 Upon the Scheme becoming effective and simultaneous with the issuance and allotment of the equity shares by Transferee Company-I in accordance with the Clause 5.4 of this Scheme, the initial issued and paid up equity share capital of Transferee Company-I, comprising of 50,000 equity shares of Rs. 10/- each, aggregating to Rs. 5,00,000/-, as was issued and paid up for the purposes of incorporation of Transferee Company-I and transferred to AHL Residual and its nominees by the initial promoters of Transferee Company-I, shall be cancelled. The share certificates held by AHL Residual representing the equity shares in Transferee Company-I shall be deemed to be cancelled and non-est and not tradable from and after such cancellation on the Record Date.
- 6.3 Upon the Scheme becoming effective and simultaneous with the issuance and allotment of the equity shares by Transferee Company-II in accordance with the Clause 5.4 of this Scheme, the initial issued and paid up equity share capital of Transferee Company-II, comprising of 50,000 equity shares of Rs. 10/- each, aggregating to Rs. 5,00,000/-, as was issued and paid up for the purposes of incorporation of Transferee Company-II and transferred to AHL Residual and its nominees by the initial promoters of Transferee Company-II, shall be cancelled. The share certificates held by AHL Residual representing the equity shares in Transferee Company-II shall be deemed to be cancelled and non-est and not tradable from and after such cancellation on the Record Date.
- 6.4 Transferee Company-I and Transferee Company-II shall not be required to add the words "and reduced" as part of their corporate name.
- 6.5 AHL, Transferee Company-I and Transferee Company-II are expressly permitted to revise their respective income tax returns and related TDS certificates and the right to claim refund, advance tax credits including MAT credit etc. upon this Scheme becoming effective and have expressly reserved the right to make such provisions in their respective income tax returns and related TDS certificates and the right to claim refund, advance tax credits including MAT credit etc. pursuant to the sanction of this Scheme.
- 6.6 In the event any lender of AHL requires satisfaction of the charge over AHL properties and recordal of a new charge with Transferee Company-I or Transferee Company-II, as the case may be, AHL and Transferee Company-I or Transferee Company-II, as the case may be, shall for good order and for statistical purposes, file appropriate forms with the Registrar of Company, NCT of Delhi and Haryana, as accompanied by the sanction order or a certified copy thereof and any deed of modification or novation executed by either AHL or Transferee Company-I or Transferee Company-II, as the case may be.
- 6.7 No stamp duty shall be payable in West Bengal and Delhi for vesting of the Kolkata Undertaking in Transferee Company-II, pursuant to this Scheme, as no stamp duty is payable in the States of West Bengal and Delhi on transfer of property through an order of the Hon'ble High Court sanctioning a scheme of arrangement under Sections 391-394 of the Act.

Furthermore, since all movable properties belonging to the Mumbai Undertaking and the Kolkata Undertaking shall be transferred by way of delivery and possession, no stamp duty shall be payable on transfer of such properties.
- 6.8 AHL, Transferee Company-I and Transferee Company-II shall, with all reasonable dispatch, make applications to the Hon'ble High Court under Sections 391 to 394 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 members and/or creditors and for sanctioning this Scheme, with such modifications as may be approved by the Hon'ble High Court.
- 6.9 Upon this Scheme being approved to by the requisite majority of the members and creditors of AHL and of the members of Transferee Company-I and Transferee Company-II (as may be directed by the Hon'ble High Court), AHL, Transferee Company-I and Transferee Company-II shall, with all reasonable dispatch, apply to the Hon'ble High Court, for sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the Act and for such other order or orders, as the said Hon'ble High Court may deem fit for carrying this Scheme into effect.
- 6.10 Upon this Scheme becoming effective, the shareholders of AHL, Transferee Company-I and Transferee Company-II 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.
- 6.11 This Scheme is conditional upon and subject to:

- (i) The Scheme being agreed to by the respective requisite majorities of the members (either by way of a meeting or a letter of consent) and the creditors of AHL, and the members of Transferee Company-I and Transferee Company-II in accordance with Section 391-394 and other applicable provisions of the Act;
 - (ii) The vesting of the leasehold property belonging to the Kolkata Undertaking shall be subject to the approval of the Government of West Bengal; and
 - (iii) The Scheme being sanctioned by the Hon'ble High Court and certified copy of the orders of the High Court sanctioning this Scheme being filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana by AHL, Transferee Company-I and Transferee Company-II, respectively.
- 6.12 This Scheme shall become effective on the date of filing of Form 42 of the Companies (Court) Rules, 1959 of the High Court in relation to the Scheme (as amended by the present amendment) along with Form 21 with the Registrar of Companies, NCT of Delhi and Haryana. Such date shall be known as the "Effective Date".
- 6.13 Each of AHL, Transferee Company-I and Transferee Company-II (acting through their Boards of Directors) may assent to any modifications or amendments to this Scheme, which the Hon'ble High Court and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. Each of AHL, Transferee Company-I and Transferee Company-II (acting through their Board of Directors) be and is hereby authorized 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 Hon'ble High Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 6.14 AHL, Transferee Company-I and Transferee Company-II shall be at liberty to withdraw from this Scheme, in case any condition or alteration imposed by the Hon'ble High Court or any other authority is not on terms acceptable to them.
- 6.15 All costs, charges, taxes, duties, levies and fees and all other expenses, if any, arising out of or incurred in carrying out and implementing the terms and conditions or provisions of the Scheme and incidental thereto pertaining to this Scheme shall be borne by each of AHL, Transferee Company-I and Transferee Company-II.
- 6.16 Upon coming into effect of the Scheme, the past track record of AHL relating to the Mumbai Undertaking and the Kolkata Undertaking including without limitation, the profitability, sales and service volumes and market share shall be deemed to be the track record of Transferee Company-I and Transferee Company-II, respectively, for all commercial and regulatory purposes.
- 6.17 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred with effect from the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder, except that items (h) to (l) below shall be deemed to have occurred simultaneously:
- a) Increase in the authorized share capital of Transferee Company-I;
 - b) Increase in the authorized share capital of Transferee Company-II;
 - c) Increase in the issued and paid-up equity share capital of AHL as contemplated in Clause 5.5.1;
 - d) Allocation of the deemed increased equity share capital of AHL equally to Transferee Company-I, Transferee Company-II and AHL Residual Undertaking.
 - dd) Issue and allotment of FCPS in terms of Clause 5.3.1 and their allocation in terms of Clause 5.4.2.
 - e) Demerger of the Mumbai Undertaking and transfer and vesting thereof in Transferee Company-I;
 - f) Demerger of the Kolkata Undertaking and transfer and vesting thereof in Transferee Company-II;
 - g) Issuance of eligibility intimation for share entitlements for fully paid-up equity shares of AHL Residual, Transferee Company-I and Transferee Company-II as are to be reissued/ issued and allotted to the equity shareholders of AHL, as on the Record Date;
 - h) Cancel the original issued and paid-up share capital i.e. 50,000 equity shares of Rs. 10/- each held by AHL in both Transferee Company-I and Transferee Company-II and return the money to AHL Residual;
 - i) Reissue of new share certificates for fully paid-up 1% non-convertible redeemable preference shares and FCPS of Transferee Company-I and Transferee Company-II to the preference shareholders of AHL, as applicable;
 - j) Reissue of new share certificates for fully paid-up 1% non-convertible redeemable preference shares in AHL Residual for apportioned amount as per the Scheme;
 - k) Reissue of new share certificates for fully paid-up FCPS in AHL Residual for apportioned amount as per the Scheme.
 - l) Cancellation of the equity share certificates, non-convertible redeemable preference shares certificates and share certificates for FCPS issued by AHL prior to the Effective Date.
- 6.18 Upon this Scheme becoming effective, the Board of Directors of AHL Residual shall determine the Record Date, which shall be later than the Effective Date, for issue and allotment of fully paid-up equity shares to the shareholders of AHL Residual. The same shall also constitute Record Date for Transferee Company-I and Transferee Company-II. New equity shares allotted to the shareholders of AHL Residual pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is granted by the designated stock exchange.

- 6.19 On determination of the Record Date, AHL shall provide to Transferee Company-I and Transferee Company-II, the list of its shareholders as on the Record Date who are entitled to receive fully paid-up equity shares and/or preference shares of Transferee Company-I and Transferee Company-II, in terms of this Scheme in order to enable Transferee Company-I and Transferee Company-II to issue and allot such fully paid-up equity shares and/ or preference shares, as applicable, to such shareholders. New equity shares allotted to the shareholders of AHL Residual in Transferee Company-I and Transferee Company-II pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is granted by the designated stock exchange.
- 6.20 The stock exchanges at which the securities of AHL are listed, being the National Stock Exchange and Bombay Stock Exchange, shall list the equity shares of both Transferee Company-I and Transferee Company-II, subject to compliance with Clause 8.3.5 of the DIP Guidelines, without either Transferee Company-I or Transferee Company-II making an initial public offer, since the requisite minimum of 25% of the paid-up share capital of each of Transferee Company-I and Transferee Company-II shall comprise of shares allotted to the public holders of shares in AHL. Accordingly, Transferee Company-I and Transferee Company-II shall be listed simultaneously on all such stock exchanges within a reasonable period of the receipt of the final order of the High Court sanctioning this Scheme, as accompanied by relevant listing applications and documents.
- 6.21 In case any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors and/or other persons entitled to or claiming any right to any equity shares in AHL or as to the construction thereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred to Transferee Company-I and Transferee Company-II or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to the arbitration under the Arbitration and Conciliation Act, 1996, whose decision shall be final and binding on all concerned.
- 6.22 If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the 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.
- 6.23 The transfer of properties and liabilities to and the continuance of proceedings by or against Transferee Company-I and Transferee Company-II, with respect to the Mumbai Undertaking and the Kolkata Undertaking, respectively, shall not affect any transaction or proceedings already concluded by AHL on or before the Effective Date, to the end and intent that Transferee Company-I and Transferee Company-II accept and adopt all acts, deeds and things done and executed by AHL in respect thereto as done and executed on behalf of itself.
- 6.24 AHL, Transferee Company-I and Transferee Company-II shall make necessary applications before the Hon'ble High Court for sanction of this Scheme and any dispute arising out of this Scheme shall be subject to the jurisdiction of the Court located in Delhi only.

Schedule-I

List of immovable properties pertaining to the Kolkata Undertaking

All that leasehold land measuring 6.0047 acres bearing Plot No. I in Block JA in Sector-III of Bhidannagar in the District of North 24 Parganas, Police Station Bidhannagar, Registration Office Bidhannagar.

Boundaries:

| | | |
|-------|---|---|
| North | : | Stadium Complex and Type II Road |
| South | : | Stadium |
| East | : | Stadium |
| West | : | E.M. Bye Pass Road after 15 m strip of land |

Schedule-II

List of immovable properties pertaining to the Mumbai Undertaking

All those pieces or parcels of land admeasuring 15,330 Sq. Mts. originally bearing C.T.S No. 47 (Part) of Village Bapnala and Survey No. 98(Part) / C.T.S No. 145 (Part) Survey No. 102 (Part) / C.T.S. No. 232 (Part) of Village Sahar and now bearing C.T.S. No. 145-B/1 of Village Sahar admeasuring 9,957.60 Sq. Mtrs and C.T.S No. 41-B/3C of Village Bapnala admeasuring 5,375.40 Sq.Mts. and aggregating to 15,333 Sq. Mts or thereabouts and bounded as herein: on or towards the North by C.T.S. No. 41 (Part), 47 (Part) and 48 of Village Bapnala; on or towards the East by C.T.S. No. 48 of Village Bapnala and Survey No. 98 (Part)/C.T.S. No. 145 (Part) of Village Sahar; on or towards the South by existing 27.45 M. wide Sahar Airport Road: and on or towards the West by proposed 13.40 M (44ft) wide D.P. Road as reflected in the sanctioned D.P.of K/East Ward.

Schedule-III

Shareholding of the promoters of AHL in AHL

M/s R K Jatia & Shiv Jatia Group

| S.No. | Name of Holder | No. of Shares Held on 31.03.2007 | % |
|-------|---|-------------------------------------|---------------|
| 1 | Yans Enterprises (H.K.) Ltd | 4960151 | 21.752 |
| 2 | Shiv Kumar Jatia | 226800 | 0.995 |
| 3 | Archana Jatia | 25900 | 0.114 |
| 4 | Amritesh Jatia | 8400 | 0.037 |
| 5 | Shashi Jatia | 29750 | 0.130 |
| 6 | Adarsh Jatia | 8400 | 0.037 |
| 7 | Prarthana Jatia | 3500 | 0.015 |
| 8 | Subh Karan Jatia <i>[Deceased; shares yet to be transmitted to the legal heirs]</i> | 50300 | 0.221 |
| 9 | Subhkaran Durgadutt HUF | 16450 | 0.072 |
| 10 | Subh Karan Jatia <i>[Deceased; shares yet to be transmitted to the legal heirs]</i> | 4000 | 0.018 |
| 11 | Subh Karan Jatia (shares pledged with Bank of Bahrain & Kuwait B S C) <i>[Deceased; shares yet to be transmitted to the legal heirs]</i> | 15000 | 0.066 |
| 12 | Ram Pyari Jatia <i>[Deceased; shares yet to be transmitted to the legal heirs]</i> | 4200 | 0.018 |
| 13 | Mosaic Intertrade Ltd | 41659 | 0.183 |
| 14 | More Energy India Ltd | 93335 | 0.409 |
| 15 | Hermanos Zubadi Investments Pvt Ltd | 119499 | 0.524 |
| | TOTAL | 5607344 | 24.590 |

M/s Gupta Group

| S.No. | Name of Holder | No. of Shares Held on 31.03.2007 | % |
|--------------|---|---|---------------|
| 16 | D S O Ltd | 3335281 | 14.626 |
| 17 | Chaman Lal Gupta Sons HUF | 32900 | 0.144 |
| 18 | Sushil Gupta | 78100 | 0.342 |
| 19 | Sushil Gupta | 33760 | 0.148 |
| 20 | Sushil Kumar Gupta | 10240 | 0.045 |
| 21 | Gunjan Jain | 31500 | 0.138 |
| 22 | Sushil Gupta/Vinita Gupta/Sandeep Gupta | 26180 | 0.115 |
| 23 | Brij Mohan Lal Agarwal/Nirmal Agarwal | 40 | 0.000 |
| 24 | Brij Mohan Lal Agarwal/Nirmal Agarwal | 100 | 0.000 |
| 25 | Gunjan Jain/Sushil Gupta/Vinita Gupta | 20300 | 0.089 |
| 26 | S K Gupta & Son HUF | 14000 | 0.061 |
| 27 | Vinita Gupta | 70140 | 0.308 |
| 28 | Vinita Gupta | 2380 | 0.010 |
| 29 | Jyotsna Karl | 2800 | 0.012 |
| 30 | Sushil Gupta/Sandeep Gupta | 2090 | 0.009 |
| 31 | Sushil Kumar Gupta/Vinita Gupta | 60 | 0.000 |
| 32 | Sandeep Gupta | 1700 | 0.007 |
| 33 | Sandeep Gupta/Sudhir Gupta | 920 | 0.004 |
| 34 | Vinita Gupta/Sushil Gupta/Sandeep Gupta | 17500 | 0.077 |
| 35 | Asha Kiran Gupta/Satish Kumar Gupta | 22500 | 0.099 |
| 36 | Pankaj Gupta/Satish Kumar Gupta | 30100 | 0.132 |
| 37 | Sushil Gupta/Sandeep Gupta | 4950 | 0.022 |
| 38 | Sudhir Gupta | 100 | 0.000 |
| 39 | Sudhir Gupta | 125900 | 0.552 |
| 40 | Sonal Sharma / Subir Sharma | 2000 | 0.009 |
| 41 | Madhu Jain | 16500 | 0.072 |
| 42 | Nikhlesh Jain | 8250 | 0.036 |
| 43 | Anubha Jain | 8250 | 0.036 |
| 44 | Renu Arun Agarwal | 33000 | 0.145 |
| 45 | Inovoa Securities Ltd | 2080 | 0.009 |
| | TOTAL | 3933621 | 17.250 |

M/s Saraf Group

| S.No. | Name of Holder | No. of Shares Held on 31.03.2007 | % |
|--------------|-----------------------|---|---------------|
| 46 | Saraf Industries Ltd | 2378331 | 10.430 |
| 47 | Forex Finance Ltd | 901188 | 3.952 |
| 48 | Forex Finance Ltd | 179469 | 0.787 |
| | TOTAL | 3458988 | 15.169 |

Other Promoters**

| | | | |
|----|--|-----------------|---------------|
| 49 | Vinod Subhkaran Jatia | 88050 | 0.386 |
| 50 | Prateek Jatia | 22050 | 0.097 |
| 51 | Nita Jatia | 29400 | 0.129 |
| 52 | Vidip V Jatia | 8650 | 0.038 |
| 53 | Yardley Investment & Trading Co. Pvt Ltd | 54070 | 0.237 |
| 54 | Makalu Trading Ltd | 273208 | 1.198 |
| 55 | Helmet Traders Pvt Ltd | 81830 | 0.359 |
| 56 | Superways Enterprises Pvt Ltd | 22480 | 0.099 |
| 57 | Superways Inv. & Finance Pvt Ltd | 50 | 0.000 |
| 58 | Delaware Properties Pvt Ltd | 56780 | 0.249 |
| 59 | Atishay Jatia | 8400 | 0.037 |
| 60 | Smita Jatia | 14700 | 0.064 |
| 61 | Ramesh Jatia | 10430 | 0.046 |
| 62 | Ram Gopal Saraf | 140 | 0.001 |
| 63 | Shyam Sunder Saraf | 630 | 0.003 |
| | TOTAL | 670868 | 2.942 |
| 64 | Asian Holdings Pvt Ltd* | 824008 | 3.614 |
| | GRAND TOTAL | 14494829 | 63.564 |

* Asian Holdings Pvt. Ltd. is a Company in which there is joint shareholding of Promoter groups of the Company and also of Mr. Vinod Kumar Jatia and Mr. Ramesh Kumar Jatia.

** These persons/ entities are not under control of the Jatia Group, Saraf Group or the Gupta Group and not persons acting in concert with them.

Schedule-IV

ASIAN HOTELS LIMITED
UNDERTAKING-WISE BALANCE SHEET AS AT 31ST MARCH, 2007

(Rs. in lakhs)

| | HEAD OFFICE (UNALLOCABLE) | DELHI UNDERTAKING | MUMBAI UNDERTAKING | KOLKATA UNDERTAKING | TOTAL |
|---|------------------------------|----------------------|-----------------------|------------------------|-------------------|
| Sources of Funds | | | | | |
| Shareholders' Fund | | | | | |
| Share Capital | 2,280.36 | — | — | — | 2,280.36 |
| Reserves and Surplus | | | | | |
| — Capital Reserve | 4.23 | — | — | — | 4.23 |
| — General Reserves | 7,148.30 | — | — | — | 7,148.30 |
| — Tourism Development Utilised Reserves | 15,996.06 | — | — | — | 15,996.06 |
| — Revaluation Reserve | 82,127.30 | — | — | — | 82,127.30 |
| — Surplus in Profit & Loss Account | 11,892.55 | — | — | — | 11,892.55 |
| | 117,168.44 | — | — | — | 117,168.44 |
| Loan Funds | | | | | |
| Secured Loans | 16,158.69 | 4,426.10 | 199.38 | (8.07) | 20,776.10 |
| Net Deferred Tax Liability | 4,648.24 | — | — | — | 4,648.24 |
| Shop Security Deposits | — | 206.88 | — | — | 206.88 |
| Head Office Account | — | 89,245.63 | 34,399.94 | 18,400.38 | 142,045.95 |
| | 140,255.73 | 93,878.60 | 34,599.32 | 18,392.32 | 287,125.97 |
| Application of Funds | | | | | |
| Fixed Assets | | | | | |
| Gross Block | — | 95,610.70 | 35,093.55 | 19,840.45 | 150,544.70 |
| Less: Depreciation | — | 5,080.81 | 3,887.80 | 2,876.34 | 11,844.94 |
| Net Block | — | 90,529.89 | 31,205.75 | 16,964.11 | 138,699.76 |
| Capital Work-in-Progress | — | 1,551.65 | 1,065.62 | 15.78 | 2,633.05 |
| | — | 92,081.54 | 32,271.38 | 16,979.89 | 141,332.81 |
| Investments | 0.60 | 250.00 | 1,460.00 | 748.80 | 2,459.40 |
| Current Assets, Loans & Advances | | | | | |
| Inventories | — | 385.80 | 268.37 | 177.23 | 831.40 |
| Sundry Debtors | — | 419.10 | 457.65 | 453.04 | 1,329.79 |
| Cash and Bank Balance | 72.66 | 3,099.27 | 195.70 | 47.85 | 3,415.48 |
| Loans and Advances | 6,869.90 | 342.34 | 1,229.66 | 696.87 | 9,138.77 |
| | 6,942.55 | 4,246.51 | 2,151.38 | 1,374.99 | 14,715.44 |
| Less | | | | | |
| Current Liabilities and Provisions | | | | | |
| Current Liabilities | 1,134.55 | 2,443.46 | 1,253.68 | 686.26 | 5,517.95 |
| Provisions | 7,598.83 | 255.99 | 29.76 | 25.10 | 7,909.68 |
| | 8,733.38 | 2,699.45 | 1,283.44 | 711.36 | 13,427.63 |
| Net Current Assets | (1,790.83) | 1,547.06 | 867.94 | 663.63 | 1,287.81 |
| Undertaking Balances | 142,045.95 | — | — | — | 142,045.95 |
| | 140,255.73 | 93,878.60 | 34,599.32 | 18,392.32 | 287,125.97 |

Notes:

1. The Undertaking-wise Balance Sheets as at 31st March, 2007 of Asian Hotels Limited has been prepared on the basis of the proposed scheme of Arrangement and Demerger (the scheme) and is duly reviewed by the Audit Committee and further approved and authenticated by the Corporate Restructuring Committee in their respective meetings held on 13th July, 2007.
2. The Revaluation Reserve represents amount created on revaluation of land and building of Hyatt Regency Delhi and is a part of Delhi Undertaking.
3. a) In Secured Loans, all the vehicle loan has been allocated according to the undertaking liability.
b) Secured Loans of Kolkata Undertaking is net of collection account amounting to Rs. 40.90 lakhs.
4. Shop Security Deposits represents deposits received for shops in the Shopping Arcades under Delhi Undertaking.
5. Fixed Assets including Capital Work In Progress has been allocated as identified to respective undertaking.
6. Investments in Regency Convention Centre & Hotels Ltd., an associate company and GJS Hotels Ltd., a subsidiary company are part of Kolkata Undertaking.
7. Fixed Deposits amounting to Rs. 2900 lakhs is part of Delhi undertaking along with secured loan liability of the same amount.
8. Loans & Advances
 - a) Amounts recoverable from GJS Hotels Ltd., Regency Convention Centre & Hotels Ltd., is a part of Kolkata Undertaking.
 - b) Claim in respect of stamp duty lodged with Maharashtra Tourism Development Corporation relating to land at Mumbai is part of Mumbai Undertaking.
 - c) Other loan and advances are allocated as identified to respective Undertakings.
9. Current liabilities in respect of sundry creditors-capital goods has been allocated to the units where the fixed assets are identified.
10. Provisions
 - a) Provisions for gratuity & leave encashment based on actuarial valuation in respect of three undertakings has been allocated based on employees in the undertaking.
 - b) Income Tax provisions, deferred tax liability, fringe benefit tax payable, dividend payable, corporate dividend tax remains unallocable under Head Office.

| | | (Rs. in lakhs) | | | |
|---|-------------|----------------------|-----------------------|------------------------|-----------|
| | HEAD OFFICE | DELHI UNDERTAKING | MUMBAI UNDERTAKING | KOLKATA UNDERTAKING | TOTAL |
| 11. Contingent Liabilities | | | | | |
| a) Capital Expenditure Commitments | — | 1,429.71 | 4.38 | — | 1,434.09 |
| b) Bank Guarantees | — | — | 15.59 | — | 15.59 |
| 12. Export Obligation in respect of EPCG Licenses | — | 6,448.03 | 4,667.23 | 12,462.86 | 23,578.12 |

FOR ASIAN HOTELS LIMITED

| | | | |
|------------------------------|------------------------|-------------------------|------------------------|
| | Sd/- | Sd/- | Sd/- |
| | SUSHIL GUPTA | SHIV JATIA | UMESH SARAF |
| | Managing | Managing | Managing |
| | Director (West) | Director (North) | Director (East) |
| New Delhi | | | |
| Dated : July 13, 2007 | | | |

Schedule-V

ASIAN HOTELS LIMITED

CERTIFIED SEGMENTED UNDERTAKING-WISE BALANCE SHEET AS AT 31ST OCTOBER, 2009

(Rs. In lakhs)

| | ASIAN HOTELS LIMITED RESIDUAL | MUMBAI UNDERTAKING | KOLKATA UNDERTAKING | TOTAL |
|---|-------------------------------------|-----------------------|------------------------|-------------------|
| LIABILITIES | | | | |
| SHAREHOLDERS' FUND | | | | |
| Equity Share Capital | | | | 2,280.36 |
| Add: Transferred from General Reserve as per contra (Refer clause 5.5.5 (a) of the Scheme) | | | | 1,140.18 |
| Equity Share Capital allocated (Refer clause 5.5.1 of the Scheme) | 1,140.18 | 1,140.18 | 1,140.18 | 3,420.53 |
| 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) Capital | 495.00 | 495.00 | 10.00 | 1,000.00 |
| (Refer clause 5.4.2 of the Scheme) | | | | |
| Fully Convertible Preference Share Capital (FCPS)- Pending allotment | | | | |
| Representing Capital (Refer clause 5.4.2 of the Scheme) | 625.93 | 2.78 | 2.78 | 631.48 |
| Representing Share Premium (Refer clause 5.5.5.(e) and (f) of the Scheme) | 33,174.05 | 147.23 | 147.23 | 33,468.52 |
| | 33,799.98 | 150.01 | 150.01 | 34,100.00 |
| RESERVES AND SURPLUS | | | | |
| - Capital Reserve (Refer clause 5.5.5 of the Scheme) | 1.41 | 1.41 | 1.41 | 4.23 |
| - Shares Premium on NCPS (Refer clause 5.5.5.(c) and (d) of the Scheme) | 3,960.00 | 3,960.00 | 80.00 | 8,000.00 |
| - General Reserve | | | | 8,810.00 |
| Less: Transferred to Equity Share Capital as per contra (Refer clause 5.5.5 (a) of the Scheme) | | | | (1,140.18) |
| - General Reserve allocated (Refer clause 5.5.5.(b) of the Scheme) | 2,556.61 | 2,556.61 | 2,556.61 | 7,669.82 |
| Add: Transfer post de-merger being the excess of assets over liabilities | - | 7,297.37 | 55,117.30 | 62,414.67 |
| (Refer clause 5.5.6 of the Scheme) | 2,556.61 | 9,853.98 | 57,673.90 | 70,084.49 |
| - Tourism Development Utilised Reserves (Refer clause 5.5.5.(b) of the Scheme) | 5,332.02 | 5,332.02 | 5,332.02 | 15,996.06 |
| - Capital Redemption Reserve for redeemed NCPS (Refer clause 5.5.5.(b) of the Scheme) | 495.00 | 495.00 | 10.00 | 1,000.00 |
| - Capital Redemption Reserve for redeemable NCPS | 498.32 | 820.36 | 13.32 | 1,332.00 |
| - Revaluation Reserve (Refer clause 5.5.5.(g) of the Scheme) | 81,988.03 | - | - | 81,988.03 |
| Less: Transfer post de-merger being the excess of assets over liabilities moving out | (62,414.67) | - | - | (62,414.67) |
| (Refer clause 5.5.6 of the Scheme) | 19,573.36 | - | - | 19,573.36 |
| - Surplus in Profit & Loss Account (Refer clause 5.5.5.(b) of the Scheme) | 9,339.40 | 9,339.40 | 9,339.40 | 28,018.20 |
| | 41,756.11 | 29,802.17 | 72,450.05 | 144,008.34 |
| LOAN FUNDS | | | | |
| Secured Loans | 16,184.36 | 345.34 | - | 16,529.70 |
| NET DEFERRED TAX LIABILITY | 1,266.41 | 2,871.98 | 2,151.39 | 6,289.78 |
| SHOP SECURITY DEPOSITS | 591.58 | - | - | 591.58 |
| CURRENT LIABILITIES AND PROVISIONS | | | | |
| - Current Liabilities | 12,489.26 | 3,090.87 | 1,297.80 | 16,877.93 |
| - Provisions | 12,436.36 | 211.21 | 102.70 | 12,750.27 |
| | 24,925.62 | 3,302.08 | 1,400.50 | 29,628.20 |
| TOTAL | 120,159.24 | 38,106.76 | 77,302.14 | 235,568.13 |

(Rs. In lakhs)

| | ASIAN HOTELS LIMITED RESIDUAL | MUMBAI UNDERTAKING | KOLKATA UNDERTAKING | TOTAL |
|--|-------------------------------------|-----------------------|------------------------|-------------------|
| ASSETS | | | | |
| FIXED ASSETS | | | | |
| Gross Block | 105,072.53 | 36,390.97 | 20,158.84 | 161,622.33 |
| Less: Depreciation | 6,818.84 | 6,448.43 | 4,694.76 | 17,962.03 |
| Net Block | 98,253.68 | 29,942.54 | 15,464.08 | 143,660.30 |
| Capital Work-in-Progress | 553.24 | 10.80 | 163.57 | 727.61 |
| | 98,806.93 | 29,953.35 | 15,627.65 | 144,387.92 |
| INVESTMENTS (Including Subsidiaries) | - | 2,506.00 | 26,963.61 | 29,469.61 |
| CURRENT ASSETS, LOANS & ADVANCES | | | | |
| - Inventories | 506.34 | 221.63 | 183.43 | 911.40 |
| - Sundry Debtors | 1,041.78 | 909.34 | 265.80 | 2,216.92 |
| - Cash and Bank Balances | 254.77 | 587.13 | 32,758.17 | 33,600.08 |
| - Loans and Advances | 19,549.41 | 3,929.30 | 1,503.49 | 24,982.20 |
| | 21,352.31 | 5,647.41 | 34,710.88 | 61,710.60 |
| TOTAL | 120,159.24 | 38,106.76 | 77,302.14 | 235,568.13 |
| Contingent Liabilities : | | | | |
| (a) Outstanding Capital Expenditure Commitments | 545.17 | 172.93 | - | 718.10 |
| (b) Claims against the Company not acknowledged as debts | 617.18 | - | - | 617.18 |
| (c) Export obligation in respect of EPCG Licenses | 11,011.75 | 833.16 | 243.01 | 12,087.92 |

DIRECTORS' CERTIFICATION

Certified that the above mentioned Segmented Undertaking-wise Balance Sheet of Asian Hotels Limited as at October 31, 2009 ("the Appointed Date"), has been prepared duly considering inter alia the covenants of the Scheme of Arrangement and De-merger (the Scheme) after giving effect thereto and is based upon the following:

- The balances of the assets and liabilities of the respective undertakings as appearing in the books of account of the undertakings.
- The balances of assets and liabilities appearing in the books of accounts at the Head Office level duly apportioned to the respective undertakings as specifically related to the respective undertakings or related to the specific assets and liabilities or operations or employees of the respective undertakings.
- The balances of accounts relatable to the respective undertakings in accordance with the Scheme and in terms of the decisions of the Board of Directors of Asian Hotels Limited taken in this regard from time to time.
- Share Capital and Reserves, including Securities premium, after adjustments in terms of the Scheme.

The above balances as appearing in the Certified Segmented Undertaking-wise Balance Sheet of Asian Hotels Limited as at October 31, 2009 i.e effective close of business day as on the Appointed Date have been approved by the respective Board of Directors of Chillwinds Hotels Limited and Vardhman Hotels Limited, being the recipient of the Mumbai Undertaking and Kolkata Undertaking respectively, in its meetings held on 26th November, 2009 and by the Board of Directors of Asian Hotels Limited in its meeting held on 30th November, 2009.

On behalf of the Board of Directors

New Delhi
Dated : November 30, 2009

Sushil Gupta
Managing
Director (West)

Shiv Jatia
Managing
Director (North)

Umesh Saraf
Managing
Director (East)

AUDITORS' CERTIFICATE

We, M/s Mohinder Puri & Co., Chartered Accountants, the Statutory Auditors of Asian Hotels Limited (the Company) have verified the information given in the Segmented Undertaking-wise Balance Sheet of Asian Hotels Limited as on October 31, 2009, as appended hereto, from the books of accounts maintained by Asian Hotels Limited.

We also certify that we have received all information required by us for the purpose of verification.

We do hereby certify that in our opinion, and to the best of our knowledge and belief and according to the information and explanations given to us, the assets and liabilities of the respective undertakings of the Company as disclosed above in the Segmented Undertaking-wise Balance Sheet, duly certified by the Managing Directors of the Company, are based on and extracted from the books of accounts of the Company and adjusted in accordance with the Scheme of Arrangement and De-merger, as filed with the Hon'ble High Court of Delhi, which is also placed at and is the subject matter of the Court convened Meeting of the Equity shareholders of the Company to be held on December 11, 2009.

This Certificate is being issued at the specific request of the Board of Directors of the Company so as to provide the Certified Segmented Undertaking-wise Balance Sheet of the Company as at October 31 2009, after giving effect to the terms of the Scheme, to the Hon'ble Delhi High Court and also despatch to the equity shareholders of the Company.

The said Certified Segmented Undertaking-wise Balance Sheet of the Company shall form part of the Scheme as Schedule-V thereof.

This certificate should be read along with the notes as given therein duly forming part of the said Segmented Undertaking-wise Balance Sheet.

VIKAS VIG
MEMBERSHIP NO. 16920
PARTNER
MOHINDER PURI & CO.,
CHARTERED ACCOUNTANTS

New Delhi
Dated: November 30, 2009

Schedule-VI
AUDITORS' REPORT

To the Members of **ASIAN HOTELS LIMITED**

We have audited the attached Balance Sheet of **ASIAN HOTELS LIMITED** as at 31st October, 2009 (Post Demerger) annexed thereto. The Balance Sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on the Balance Sheet based on our audit.

As per the Scheme of Arrangement and Demerger (the Scheme) referred to in Note 11 in the Schedule 12 of Notes Annexed to the Balance Sheet, the Kolkata Undertaking and Mumbai Undertaking have been demerged as of the Appointed Date i.e. 31st October, 2009. The necessary disclosures in terms of the Accounting Standards 24 (AS-24) on 'Discontinued Operations' are given in the said note.

This Balance Sheet of the Company has been prepared in terms of clause 6.1 of the Scheme post giving effect to the terms of the Scheme and will be filed with the Hon'ble High Court of Delhi and also be despatched to the equity shareholders of the Company.

This Balance Sheet of the Company shall form part of the Scheme as Schedule-VI thereof.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
- (iii) The Balance Sheet dealt with by this report is in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in the case of the Balance Sheet, of the state of affairs of the Company as at 31st October, 2009 (Post Demerger), in conformity with the accounting principles generally accepted in India.

For MOHINDER PURI & COMPANY
Chartered Accountants

VIKAS VIG
PARTNER
M NO: 16920

NEW DELHI
DATED: 16th January, 2010

ASIAN HOTELS LIMITED

BALANCE SHEET AS AT 31ST OCTOBER 2009

(POST DEMERGER AS AHL RESIDUAL COMPANY)

| | Schedule | | Rs in Lakhs |
|--|----------|-----------------|-----------------|
| SOURCES OF FUNDS | | | |
| SHAREHOLDERS' FUND | | | |
| Share Capital | 1 | | 1635.18 |
| Fully Convertible Preference Share Capital (FCPS)- Pending Allotment (Refer Note 17 of schedule 12) | | | |
| Representing Capital | | 631.48 | |
| Less : Transferred on account of reorganisation pursuant to the Scheme of Arrangement and Demerger (Refer clause 5.4.2 of the Scheme) | | 5.56 | 625.92 |
| Representing Securities Premium | | 33468.52 | |
| Less : Transferred on account of reorganisation pursuant to the Scheme of Arrangement and Demerger (Refer clause 5.5.5(e) & (f) of the Scheme) | | 294.46 | 33174.06 |
| Reserves and Surplus | 2 | | 41756.12 |
| LOAN FUNDS | 3 | | |
| Secured Loans | | | 16184.36 |
| NET DEFERRED TAX LIABILITY | 4 | | 1266.41 |
| SHOP SECURITY DEPOSITS | | | 591.58 |
| | | | <u>95233.63</u> |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | 5 | | |
| Gross Block | | 105072.53 | |
| Less : Depreciation | | 6818.84 | |
| Net Block | | 98253.69 | |
| Capital Work-in-Progress | | 553.24 | |
| | | | <u>98806.93</u> |
| CURRENT ASSETS, LOANS AND ADVANCES | | | |
| Inventories | 6 | 506.34 | |
| Sundry Debtors | 7 | 1041.78 | |
| Cash and Bank Balances | 8 | 254.77 | |
| Loans and Advances | 9 | 19549.42 | |
| | | <u>21352.31</u> | |
| Less: | | | |
| CURRENT LIABILITIES AND PROVISIONS | | | |
| Current Liabilities | 10 | 12489.25 | |
| Provisions | 11 | 12436.36 | |
| | | <u>24925.61</u> | |
| NET CURRENT ASSETS | | | (3573.30) |
| | | | <u>95233.63</u> |
| SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES | 12 | | |

AS PER OUR REPORT ATTACHED

VIKAS VIG

Partner

For & on behalf of

Mohinder Puri & Company

Chartered Accountants

R.K. BHARGAVA

Chairman

ON BEHALF OF THE BOARD OF DIRECTORS

SUSHIL GUPTA

Managing

Director (West)

SHIV JATIA

Managing

Director (North)

UMESH SARAF

Managing

Director (East)

NEW DELHI

DATED: 16th January, 2010

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2009
(POST DEMERGER AS AHL RESIDUAL COMPANY)**

Rs in Lakhs

1. SHARE CAPITAL**AUTHORISED**

40,000,000 Equity Shares of Rs 10 each

4000.00

30,000,000 Preference Shares of Rs. 10 each

3000.00

ISSUED, SUBSCRIBED & PAID-UP

22,803,564 Equity Shares of Rs 10 each fully paid

2280.36

Add: Transferred from General Reserve as per Contra

1140.18

(Refer clause 5.5.5(a) of the Scheme)

3420.54

Less : Transferred on account of reorganisation pursuant to the Scheme of Arrangement and Demerger (Refer clause 5.5.1 of the Scheme)

(2,280.36)

11,401,782 Equity Shares of Rs. 10 each fully paid reissued as per clause 5.4.6 of the Scheme

1140.18

10,000,000 1% Cumulative Redeemable Non-Convertible

1000.00

Preference Shares (NCPS) of Rs.10 each fully paid

(505.00)

Less : Transferred on account of reorganisation pursuant to the Scheme of Arrangement and Demerger (Refer clause 5.4.2 of the Scheme)

4,950,000 1% Cumulative Redeemable

495.00

Non-Convertible Preference Shares (NCPS) of Rs.10 each fully paid

(Refer Note 16 of schedule 12)

1635.18

2. RESERVES & SURPLUS

| | 30.09.2009 | Additions / (Deductions) | Deductions (re-organisation as per scheme) | 31.10.2009 Post-Demerger |
|---|------------|-----------------------------|--|-----------------------------|
| Capital Reserve (Refer clause 5.5.5 of the Scheme) | 4.23 | | 2.82 | 1.41 |
| Capital Redemption Reserve for redeemed NCPS (Refer Note 16 of the Schedule 12) | 1000.00 | | 505.00 | 495.00 |
| Capital Redemption Reserve for redeemable NCPS (Refer Note 16 of the Schedule 12) | 1332.00 | | 833.68 | 498.32 |
| Securities Premium on NCPS (Refer Note 16 of the Schedule 12) | 8000.00 | | 4040.00 | 3960.00 |
| General Reserve (Refer Note 1 below) (Refer clause 5.5.5 (b) of the Scheme) | 8810.00 | (1,140.18) | 5113.21 | 2556.61 |
| Tourism Development Utilised Reserve (Refer clause 5.5.5 (b) of the Scheme) | 15996.06 | | 10,664.04 | 5332.02 |
| Revaluation Reserve (Refer Note 2 below) | 81992.52 | (4.49) | 62414.67 | 19573.36 |
| Surplus in Profit & Loss Account (Refer Note 3 below) (Refer clause 5.5.5 (b) of the Scheme) | 28150.90 | (132.69) | 18,678.81 | 9339.40 |
| | 145285.71 | (1,277.36) | 102252.23 | 41756.12 |

Notes :

- Rs. 1140.18 lakhs has been transferred from General Reserve to Equity Shares Capital as per Contra (Refer clause 5.5.5(a) of the Scheme)
- Rs. 62414.67 lakhs has been transferred from Revaluation Reserve due to Loss on restructuring and transfer of Mumbai undertaking and Kolkata undertaking (Refer Note 15 of the Schedule 12)
- Rs. 132.69 lakhs deduction from Profit & Loss Account relates to one month ending October 31, 2009

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2009
(POST DEMERGER AS AHL RESIDUAL COMPANY)**

Rs in Lakhs

3. LOAN FUNDS**SECURED LOANS****TERM LOANS**

From Banks:

– DBS Bank Limited

(Secured by exclusive equitable mortgage of Hotel Hyatt Regency Delhi property and Personal guarantee of one of the directors of the Company)

9000.00

– ICICI Bank Limited

41.70

Secured against hypothecation of certain vehicles

– Punjab National Bank

1373.75

(For business of generation of electricity)

Secured by first charge by way of mortgage of land and hypothecation of windmills situated at Sinner & Sangli, Maharashtra

– IDBI Bank Limited - Rupee Loan

5087.79

(Secured by first pari passu charge (hypothecation) of whole of plant & machinery, construction material, equipments and other assets of the Company both present and future (save and except book debts) of Hotel Hyatt Regency Delhi)

Interest accrued and due

140.40

OTHER LOANS**Short Term Loans and Advances**

From IDBI Bank Limited

– Secured against hypothecation of inventories and book debts(both present & future)

229.36

– Secured against credit card collection*

311.36

16184.36

* net of balances in collection accounts

367.93

– Term loans due within one year

2681.25

4. NET DEFERRED TAX LIABILITY

Tax Liability /(Asset) due to timing difference in respect of:

Depreciation

1852.46

Provision for Retirement Benefits

(224.89)

Provision for doubtful debts / advances

(1.63)

Statutory Dues

(359.53)

1266.41

5. FIXED ASSETS - At Cost

Rs in Lakhs

| | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK |
|--|--------------------|-----------|------------|--|--|------------------|------------------|--|--|---|--|
| | As on 1.10.2009 | Additions | Deductions | Deductions (Reorganisation as per the Scheme) | As on 31.10.2009 (Post- Demerger) | Upto 30.09.09 | For the month | Written back on deductions / adjustments | Deductions (Reorganisation as per the Scheme) | Upto 31.10.09 (Post- Demerger) | As on 31.10.09 (Post- Demerger) |
| Land - Leasehold | 1467.71 | – | – | 1467.71 | – | – | – | – | – | – | – |
| Land - Freehold | 89361.59 | – | – | 9287.31 | 80074.28 | – | – | – | – | – | 80074.28 |
| Buildings | 34230.05 | – | – | 24657.14 | 9572.91 | 3913.26 | 46.67 | – | 2664.77 | 1295.16 | 8277.75 |
| Furniture, Fixtures and Furnishings | 8994.92 | – | – | 4467.80 | 4527.12 | 4619.51 | 61.73 | – | 2678.42 | 2002.82 | 2524.30 |
| Plant and Machinery | 25664.44 | – | 1.41 | 16091.47 | 9571.56 | 8548.51 | 105.74 | 0.09 | 5535.55 | 3118.61 | 6452.95 |
| Vehicles | 1911.35 | – | 6.32 | 578.37 | 1326.66 | 654.84 | 15.41 | 3.55 | 264.45 | 402.25 | 924.41 |
| Total | 161630.08 | – | 7.73 | 58549.80 | 105072.53 | 17736.12 | 229.55 | 3.64 | 11143.19 | 6818.84 | 98253.69 |

CAPITAL WORK-IN-PROGRESS (Refer Note 14 of Schedule 12)

553.24

98806.93

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2009
(POST DEMERGER AS AHL RESIDUAL COMPANY)**

Rs in Lakhs

Schedule 5 - Contd.

Notes:

| | | |
|-----------|--|--------------------|
| a) | Gross Block includes Rs. 82131.81 Lakhs being the amount added on revaluation of land and buildings with effect from 28th February, 2007 (Refer Note 15 of Schedule 12) | |
| b) | Land -Freehold includes Rs. 10.90 Lakhs, amount paid to Delhi Development Authority (DDA) since recovered by the Company, but not decapitalised as matter is under an appeal filed by DDA. | |
| c) | Building includes leasehold improvement | gross block 20.68 |
| | | net block 10.51 |
| d) | Vehicles includes those financed | gross block 103.84 |
| | | net block 80.23 |
| e) | Land -Freehold and Plant & Machinery includes assets relating to the business of generation of electricity | |
| | Land - Freehold | |
| | – gross block | 34.00 |
| | – net block | 34.00 |
| | Plant & Machinery | |
| | – gross block | 1857.02 |
| | – net block | 1701.77 |
| 6. | INVENTORIES | |
| | Wines & Liquor | 146.66 |
| | Provisions, Other Beverages and Smokes | 97.22 |
| | Crockery, Cutlery, Silverware, Linen etc. | 168.41 |
| | General Stores and Spares | 94.05 |
| | | <u>506.34</u> |
| 7. | SUNDRY DEBTORS | |
| | Outstanding for over six months | 0.00 |
| | Others | 1046.58 |
| | | <u>1046.58</u> |
| | Less :Provision for doubtful debts | 4.80 |
| | | <u>1041.78</u> |
| | Unsecured considered good | 1041.78 |
| | Unsecured considered doubtful | 4.80 |
| 8. | CASH AND BANK BALANCES | |
| | Cash in hand | 29.33 |
| | Cheques in hand | 42.16 |
| | With Scheduled Banks : | |
| | Current Accounts | 102.62 |
| | Unpaid Dividend Current Accounts | 70.66 |
| | Fixed Deposits * | 10.00 |
| | | <u>254.77</u> |
| | * Include : | |
| | – under lien against overdraft facilities | 10.00 |
| 9. | LOANS & ADVANCES | |
| | Advances recoverable in cash or in kind or for value to be received | 6880.82 |
| | Advance income tax | 11931.88 |
| | Fringe benefit tax (net) | 17.91 |
| | Security Deposits | 718.76 |
| | Interest accrued on Fixed Deposits | 0.05 |
| | | <u>19549.42</u> |
| | Provision for doubtful advances/deposits | 0.00 |
| | | <u>19549.42</u> |
| | Unsecured considered good | 19549.42 |
| | Unsecured considered doubtful | 0.00 |

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2009
(POST DEMERGER AS AHL RESIDUAL COMPANY)**

Rs in Lakhs

10. CURRENT LIABILITIES

| | |
|--|-----------------|
| Sundry Creditors | |
| – for capital projects | 192.07 |
| – others * | 1425.53 |
| Advances from Customers | 7594.50 |
| Interest accrued but not due on loans | 0.32 |
| Security Deposits received | 23.85 |
| Other Liabilities ** | 3252.98 |
| | <u>12489.25</u> |
| * includes due to Micro, Small & Medium Enterprises (Refer Note 25 of Schedule 12) | 0.00 |
| **includes due to | |
| – Unclaimed Dividends | 70.66 |
| – Directors (including commission) | 359.58 |

11. PROVISIONS

| | |
|------------------------------------|-----------------|
| Gratuity | 526.31 |
| Leave Encashment | 135.34 |
| Income Tax | 11503.52 |
| Proposed dividend on Equity Shares | 228.04 |
| Dividend on Preference Shares | 3.75 |
| Corporate Dividend Tax | 39.40 |
| | <u>12436.36</u> |

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2009
(POST DEMERGER AS AHL RESIDUAL COMPANY)**

12. SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

1. (i) Basis of Accounting

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies Accounting Standards Rules, 2006 under the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

(iii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (a) Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer.
- (b) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- (c) Dividend income from investments is recognized when the Company's right to receive payment is established.
- (d) Income from generation of electricity is recognized when the actual generated units are transferred and billed to the buyer.
- (e) Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

(iv) Income in Foreign Exchange

The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills, is credited and accounted for at the rate / rates prevalent on the date of receipt of payment. The gains / losses arising out of fluctuation in the exchange rates are accounted for on realization.

(v) Interest on Income Tax Refunds / Demands

It is accounted for as income in the period/year when granted and as tax expense when determined by the Department.

(vi) Claims Recoverable

Claims recoverable are accrued only to the extent as admitted by the parties.

(vii) Expenses remittable in foreign exchange

These are charged based on invoices (including for earlier years) as approved and accepted by the appropriate authorities as applicable.

2. (i) Foreign Exchange Transaction

Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction, while those remaining unsettled at the period/year end are translated at the period/year end rates resulting in exchange differences being recognized as income /expense (net).

(ii) Foreign Currency Balances

Foreign Currency balances at the period/year end have been converted at the period/year end rate of exchange except those covered by forward cover contracts in respect of foreign currency loans, which are converted at the contracted forward rates.

3. Employee Benefits

- (i) Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet.
- (ii) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. It is a defined contribution scheme and the contribution is charged to Profit and Loss Account of the period/year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective fund.

4. Taxation

- (i) Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflects the impact of current period/year timing differences between taxable income and accounting income for the period/year and reversal of timing differences of earlier years.
- (ii) Deferred Tax is provided during the period/year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with Accounting Standard 22 (AS-22).
- (iii) Deferred Tax asset is recognized only to the extent that there is a reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized.
- (iv) Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the Balance Sheet date.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2009
(POST DEMERGER AS AHL RESIDUAL COMPANY)**

5. Fixed Assets and Depreciation

(a) Fixed Assets

Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/ amortisation. Cost represents the direct expenses incurred on acquisition /construction of the assets and the relative share of indirect expenses relating to construction allocated in proportion to the direct costs involved.

(b) Depreciation

- (i) Depreciation as per straight line method has been charged in the accounts based on circular no. 1/86 of the Department of Company Affairs.
- (ii) On the assets acquired on or after 2.4.87 at the rates as prescribed under Schedule XIV of the Companies Act, 1956 pro rata from the month of purchase. If purchased before or on 15th of the month, depreciation is charged from the month of purchase otherwise depreciation is charged from the month following the month of purchase.
- (iii) On the assets prior to 2.4.87 at the rates computed in the respective years of acquisition of those assets on the basis of rates specified by the Income Tax Act, 1961 and the rules made thereunder in terms of Section 205(2) (b) of the Companies Act, 1956 without making any adjustment in respect of excess depreciation provided for in the earlier years amounting to Rs.244.16 lakhs.
- (iv) Depreciation on leasehold improvements is being charged equally over the period of the lease.
- (v) Depreciation on the increased amount of assets due to revaluation is computed on the basis of residual life of the assets as estimated by the valuer on straight line method and charged to Revaluation Reserve Account.
- (vi) No depreciation is charged on the assets sold/ discarded during the period/year.
- (vii) The period in respect of leases of leasehold lands is either perpetual or for substantially long term and hence no depreciation has been charged on the premiums paid.

6. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments or short term investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the Profit and Loss Account. Long-term investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Profit and Loss Account. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.

7. Inventory

- (a) Inventory is valued at cost or net realizable value whichever is lower.
- (b) Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.

8. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.

9. Earnings per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/year.

10. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

11. A Scheme of Arrangement and Demerger (the Scheme) was approved by the Board of Directors of the Company on 14th May, 2007.

The Scheme envisaged the trifurcation of the Company in the following manner:-

- i) Kolkata Undertaking as defined in clause 1.2.1 of the Scheme, comprising, interalia of Hotel Hyatt Regency Kolkata and investment in the shares held in GJS Hotels Limited and Regency Convention Centre and Hotels Limited and, appropriate cash liquidity.
- ii) Mumbai Undertaking as defined in clause 1.2.1 of the Scheme, comprising, interalia of Hotel Hyatt Regency Mumbai, investment in the shares held in Aria Hotels & Consultancy Services Private Limited and deposits/advances paid towards acquisition of immovable property in Bangalore.
- iii) AHL Residual as would emerge immediately after the transfer of and vesting in of Mumbai undertaking and the Kolkata undertaking in Chillwinds Hotels Limited (Transferee Company -I) and Vardhman Hotels Limited (Transferee Company-II) respectively.

The Scheme, which was approved by the High Court of Delhi vide its order dated 29th February, 2008 and amended vide Orders dated 9th April, 2009 and 18th August, 2009, was filed with the Registrar of Companies, NCT of Delhi & Haryana, but could not take effect as certain conditions precedent could not be fulfilled. In order to overcome the impediments in implementation of the Scheme and to determine a fixed date which should be the Appointed Date for the purpose of drawing up the undertaking wise balance sheets in terms of the Scheme, the Company made an application to the Hon'ble Court in May 2009, introducing

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2009
(POST DEMERGER AS AHL RESIDUAL COMPANY)**

'the Appointed Date' and incorporated certain clauses to define how the business of the three undertakings would be conducted between 'the Appointed Date' and 'the Effective Date'. The Hon'ble High Court vide its order dated 29th May, 2009, stayed the effect and implementation of the Scheme, as approved earlier and directed the Company to obtain the approval of its equity shareholders for the amended Scheme. However, before the equity shareholders' meeting could be convened in terms of Order dated 29th May, 2009, the Company made additional applications in August 2009 and November 2009, for further amendments, and accordingly, the Hon'ble Court vide its Order dated 10th November, 2009, directed the Company to convene a meeting of its equity shareholders on 11th December, 2009, to obtain their approval for the amended Scheme, before it could be considered by the Hon'ble Court. Pursuant to the directions of the Hon'ble Court, the Company had called its equity shareholders meeting on 11th December, 2009 and the amended Scheme was approved by the equity shareholders and sanctioned by the Hon'ble Court. The amended Scheme is expected to be implemented by the end of January 2010 having retrospective effect from 'the Appointed Date' i.e. '31st October, 2009'. Subsequent thereto, the Promoter Groups intend to transfer their shareholding interest in the three demerged entities as provided in Clause 5.8 of the Scheme.

In view of the above, the operations of Kolkata undertaking and Mumbai undertaking constitute discontinued operations within the meaning of Accounting Standard (AS) 24. As at 31st October, 2009, the carried amount of the assets of the Kolkata undertaking were Rs 77302.14 Lakhs and of the Mumbai undertaking were Rs 38106.76 Lakhs and their liabilities were Rs 22184.84 Lakhs and Rs 30809.39 Lakhs respectively.

12. Proposed Dividend on equity shares payable, if any, is subject to pending approval at the Annual General Meeting.

13. Contingent Liabilities :

Rs. in Lakhs

| | |
|--|----------|
| (a) Outstanding Capital Expenditure Commitments | 545.17 |
| (b) Claims against the Company not acknowledged as debts | 617.18 |
| (c) Export obligation in respect of EPCG Licenses | 11011.75 |

14. Capital Work-in-Progress consists of:

| | |
|---|---------------|
| (a) Renovation/refurbishing work / other work in progress | 465.61 |
| (b) Advances for capital contracts (unsecured, considered good) | 87.63 |
| | 553.24 |

15. The Company, based on the report by a Certified Valuer, had revalued land and building of Hotel Hyatt Regency Delhi, one of the units of the Company, on 28th February, 2007 at Rs 85,700.00 lakhs, thereby increasing the value of land and building by an amount of Rs 82,131.81 lakhs, and therefore an equivalent amount had been credited to the Revaluation Reserve Account. The method adopted by the Certified Valuer for revaluation purpose, was the Cost of Contractor's method. Consequently, there was an additional charge of Rs 143.78 on account of depreciation on increase in value of assets due to revaluation and accordingly, an equivalent amount had been withdrawn from the Revaluation Reserve Account and credited to the Profit & Loss Account upto 31st October, 2009.

The Loss arising to the Company from restructuring and transfer of the Kolkata undertaking and the Mumbai undertaking has been set off against the Revaluation Reserve mentioned above (Refer clause 5.5.5(g) of the Scheme).

16. During the prior year, the Company with an object to facilitate trifurcation under the Scheme had allotted 2 crores 1% Cumulative Redeemable Non Convertible Preference Shares (NCPS) of Rs 10/- each at a premium of Rs 80/- per share. As per the respective Subscription Agreement with Infrastructure Development Finance Company Limited (IDFC) and Magus Estate and Hotels Limited (Magus), a Company in which two of the directors are interested for subscription to the said preference shares, the Company is to redeem the said Preference Shares in three installments of 25%, 25% and 50% (including premiums) respectively as under:

(Rs in lakhs)

| Date of Redemption | Amount of Redemption including Redemption Premium | |
|--------------------|---|-------------------------------------|
| | IDFC | MAGUS (as per agreed revised terms) |
| June 30, 2008 | 3303.00 | 2250.00 |
| June 30, 2009 | 2989.00 | 2250.00 |
| June 30, 2010 | 4832.00 | 4500.00 |

Upto the appointed date, 50% of such NCPS have already been redeemed.

An amount of Rs 17,458 lakhs, out of the proceeds from the above said preference shares had been subscribed as equity in GJS Hotels Ltd, a subsidiary of the Company which is a part of the Kolkata undertaking as per the terms of the Scheme.

Securities Premium on NCPS represents premium received on issue of above said NCPS.

Capital Redemption Reserve for redeemed NCPS represents redeemed 1% Cumulative Redeemable Non-Convertible Preference Shares.

Capital Redemption Reserve for redeemable NCPS represents the value of redemption of 1% Cumulative Redeemable Non-Convertible Preference Shares and for the premium payable on their redemption over and above the amount available in Securities Premium Account.

The above said NCPS, Securities Premium on NCPS, Capital Redemption Reserve for redeemed NCPS and Capital Redemption Reserve for redeemable NCPS, have been allocated to AHL Residual Company, Transferee Company-I and Transferee Company-II as per the terms of the Scheme (Refer clause 5.4.2 (ii) and also clause 5.5.5(c) and (d) of the Scheme).

17. The Company had received Rs 34,100 lakhs as subscription money against the Fully Convertible Preference Shares (FCPS) pursuant to the Scheme from Fineline Holdings Limited and Global Operations Pte. Ltd.

An amount of Rs 3000 lakhs, proceeds from the above said FCPS had been subscribed as equity in GJS Hotels Ltd, a subsidiary of the Company and Rs 31100 lakhs has been kept under escrow account, which are the parts of the Kolkata undertaking as per the terms of the Scheme.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2009
(POST DEMERGER AS AHL RESIDUAL COMPANY)**

The above said FCPS (pending allotment) has been allocated to AHL Residual Company, Transferee Company-I and Transferee Company-II as per the terms of the Scheme {Refer clause 5.3, clause 5.4.2 (iii) & (iv) and also clause 5.5.5(e) and (f) of the Scheme}.

The FCPS shall be convertible, in one or more tranches, into equity shares of face value of Rs 10/- each of the respective companies, i.e. AHL Residual Company, Transferee Company-I, or Transferee Company-II, as the case may be (based on allocation of FCPS in terms of the Scheme).

18. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard (AS) 28 on "Impairment of Assets" since in the opinion of the Management, as considered by the Audit Committee, the reduction in value of any asset, to the extent required.

19. The Company has received notices with regard to Service Tax demands on certain services aggregating to Rs 467.96 Lakhs considered to be not tenable in the opinion of the Company. These are thus included under "Contingent Liabilities" as "Claims against the Company not acknowledged as debts" as no provision has been made against the same.

20. Post effectiveness of the Scheme, the Company would be operating in hotel business at only one geographical location namely Hotel Hyatt Regency Delhi.

During the prior years, the Company had altered its object clause of memorandum of association and entered into a different business segment, viz., power generation, governed by different risks and returns. However, it is not a reportable segment as defined under the said Accounting Standard, hence no separate disclosures have been made. The assets and liabilities relating to the said business have however, been disclosed in the accounts separately.

21. The Company has classified the various benefits provided to employees as under:-

- (a) Defined contribution plans
 - i) Provident fund
- (b) Defined benefit plans
 - a) Contribution to Gratuity funds
 - b) Compensated absences – Earned leave

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefit obligations works out to 0 years. For the current valuation a discount rate of 8% p.a. compound, has been used in consultation with the employer.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to the trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors. The assumptions used are summarised in the following table:

| | Gratuity (Unfunded) | | Compensated absences Earned leave (Unfunded) | |
|--|----------------------------|--------------------------------|---|--------------------------------|
| Discount rate (per annum) | | 8% | | 8% |
| Future salary increase | | 7% | | 7% |
| Expected rate of return on plan assets | | 0% | | 0% |
| In service mortality | | LIC (1994-96) duly modified | | LIC (1994-96) duly modified |
| Retirement age | | 58 years | | 58 years |
| Withdrawal rates: | Upto 30 years | 3% | Upto 30 years | 3% |
| | Upto 44 years | 2% | Upto 44 years | 2% |
| | Above 44 years | 1% | Above 44 years | 1% |

22. **Related Party Disclosures**

- a) Parties which significantly influence the Company (either individually or with others)

- (i) Yans Enterprises (H.K.) Ltd.
- (ii) DSO Ltd.
- (iii) Saraf Industries Ltd.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST OCTOBER, 2009
(POST DEMERGER AS AHL RESIDUAL COMPANY)**

b) Related Parties

– Key Management Personnel

| | |
|---|---------------------------------|
| Mr. Sushil Gupta | Managing Director (West) |
| Mr. Shiv Jatla | Managing Director (North) |
| Mr. Umesh Saraf | Managing Director (East) |
| – Relatives of Key Management Personnel | Son of Mr. Sushil Gupta |
| – Entities controlled by Directors or their relatives | Magus Estates & Hotels Ltd. |
| | Nepal Travel Agency Pvt Ltd. |
| | Ram Pyari Devi Charitable Trust |
| | WEL Intertrade Ltd. |
| | Eden Park Hotels Pvt. Ltd. |
| | Juniper Hotels Pvt. Ltd. |

c) Disclosure in respect of balances of transactions with related parties are as follows:

| Particulars | Rs in Lakhs |
|-------------------------------------|-------------|
| Outstanding Payables | |
| – Mr. Shiv Jatla (as commission) | 339.58 |
| – M/s Bhasin & Co. | 0.50 |
| Outstanding Receivables | |
| – Magus Estates & Hotels Ltd. | 11.13 |
| – Mr. Sandeep Gupta | 2.47 |
| – WEL Intertrade Ltd. | 0.03 |
| – Energy Infrastructure (I) Limited | 5.73 |

23. Municipal Corporation of Delhi introduced a new method for payment of property tax under 'Unit Area Scheme' w.e.f. 1st April, 2004. The Federation of Hotels and Restaurants Association of India (FHRAI) and the Company filed a writ petition in the High Court of Delhi against the said new method, which is still pending. However, in terms of the interim order dated 10th September, 2004 passed by the Hon'ble High Court, the Company has been paying a sum of Rs 54.52 Lakhs per annum based on the Ratable Value method then existing. As a matter of abundant caution, and based on the legal opinion obtained by the Company, the Company has provided for the difference in property tax as per Unit Area Scheme and the payments made since introduction of the said new method, alongwith interest thereon. Such calculations are based on usage factor of 10.

24. (a). Future commitments in respect of assets acquired under Finance Schemes

| | Rs. in Lakhs |
|---|--------------|
| Minimum installments payable within one year | 31.80 |
| later than one year but not later than five years | 13.56 |
| Present value of minimum installments payable within one year | 28.69 |
| later than one year but not later than five years | 13.01 |

(b). Future minimum lease payments receivable by the Company in respect of non-cancellable operating leases (other than land) for shops and vehicles entered into by the Company :

| | |
|--|-------|
| (i) Not later than one year | 82.56 |
| (ii) Later than one year and not later than five years | 62.41 |

25. In the previous year, Government of India had promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) which came in to force with effect from October 2, 2006. The Company had sent letters to its suppliers for confirmations of their registration in MSMED Act, 2006 and on the basis of reply received from suppliers the disclosure is given below.

The Disclosure relating to Micro and Small Enterprises are as follows:

| | |
|---|------|
| a) Principal amount remaining unpaid to any supplier as at the period end | 0.00 |
| b) Interest due thereon | 0.00 |
| c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED | 0.00 |
| d) Amount of interest accrued and remaining unpaid at the end of the period | 0.00 |

26. This Balance Sheet of the Company has been prepared in terms of Clause 6.1 of the Scheme, post giving effect to the terms of the Scheme and will be filed with Hon'ble High Court of Delhi and also be despatched to the equity shareholders of the Company.

Schedules 1 to 12 form an Integral part of the Balance Sheet

ON BEHALF OF THE BOARD OF DIRECTORS

| | | | |
|----------------------------------|--|---|---|
| R.K. BHARGAVA Chairman | SUSHIL GUPTA Managing Director (West) | SHIV JATIA Managing Director (North) | UMESH SARAF Managing Director (East) |
|----------------------------------|--|---|---|

NEW DELHI

DATED: 16th January, 2010

AUDITORS' REPORT

To the Members of **CHILLWINDS HOTELS LIMITED**

We have audited the attached reconstructed Balance Sheet of **CHILLWINDS HOTELS LIMITED** as at 1st November, 2009 (Post De-merger and beginning of business hours of the day) annexed thereto. The Balance Sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on the Balance Sheet based on our audit.

As per the Scheme of Arrangement and Demerger (the Scheme) referred to in Note 3 in Schedule 12 Notes to Accounts annexed to the Balance Sheet, the Mumbai Undertaking has been demerged from Asian Hotels Limited as of the Appointed Date i.e. 31st October, 2009.

This Balance Sheet of the Company has been prepared after giving effect to the terms of the Scheme, to be filed with the Hon'ble Delhi High Court and also to be despatched to the equity shareholders of the Company.

This Balance Sheet of the Company shall form part of the Scheme as Part-VI thereof.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- (i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books. The books have incorporated the assets, liabilities and reserves as transferred to and vested in the company in terms of the provisions of the Scheme;
- (iii) The Balance Sheet dealt with by this report is in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet dealt with by this report complies with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in the case of Balance Sheet, of the state of affairs of the Company as at 1st November, 2009 (Post De-merger and beginning of business hours of the day), in conformity with the accounting principles generally accepted in India.

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

ARUN K. TULSIAN
PARTNER
M NO: 89907

NEW DELHI
DATED: 16th January, 2010

BALANCE SHEET AS AT 1ST NOVEMBER, 2009

| | Schedule | As at 1st November, 2009 Amount (Rs. Lacs) |
|--|-----------------|---|
| SOURCES OF FUNDS | | |
| Share Capital | 1 | 1,637.96 |
| Reserves & Surplus | 2 | 29,872.22 |
| Secured Loans | 3 | 345.34 |
| Net Deferred Tax Liability | | 2,871.98 |
| | | <u>34,727.50</u> |
| APPLICATION OF FUNDS | | |
| FIXED ASSETS | | |
| | 4 | |
| Gross Block | | 36,390.97 |
| Less: Depreciation | | 6,448.43 |
| Net Block | | <u>29,942.54</u> |
| Capital Work-in-Progress | | 10.80 |
| | | <u>29,953.35</u> |
| INVESTMENTS | 5 | 2501.00 |
| CURRENT ASSETS, LOANS AND ADVANCES | | |
| Inventories | 6 | 221.63 |
| Sundry Debtors | 7 | 909.34 |
| Cash and Bank Balances | 8 | 588.04 |
| Loans and Advances | 9 | 3,856.63 |
| | | <u>5,575.64</u> |
| CURRENT LIABILITIES AND PROVISIONS | | |
| Liabilities | 10 | 3,091.28 |
| Provisions | 11 | 211.21 |
| | | <u>3,302.49</u> |
| NET CURRENT ASSETS | | <u>2,273.15</u> |
| Profit & Loss Account | | |
| | | <u>34,727.50</u> |
| SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS | 12 | |

As per our report of even date

For and on behalf of the Board

FOR S.S. KOTHARI MEHTA & CO.
CHARTERED ACCOUNTANTSSUSHIL GUPTA
DirectorLALIT BHASIN
DirectorArun K. Tulsian
Partner
Membership No. 89907NEW DELHI
DATED: 16th January, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 1ST NOVEMBER, 2009

As at
1st November, 2009
Amount (Rs. Lacs)

SCHEDULE-1**SHARE CAPITAL****AUTHORISED**

| | |
|--|-----------------|
| 1,40,00,000 Equity Shares of Rs.10 each | 1,400.00 |
| 1,10,00,000 Preference Shares of Rs. 10 each | 1,100.00 |
| | <u>2,500.00</u> |

SUBSCRIBED & PAID UP SHARE CAPITAL

| | |
|---|-----------------|
| 11401782 Equity Shares of Rs. 10 each fully paid up (Refer clause 5.5.1 of the Scheme) | 1,140.18 |
| 4950000 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs.10 each (Refer clause 5.4.2 of the Scheme) | 495.00 |
| Fully Convertible Preference Share Capital (FCPS)-Pending allotment | 2.78 |
| Representing Capital (Refer clause 5.4.2 of the Scheme) | <u>1,637.96</u> |

SCHEDULE-2**RESERVES & SURPLUS****Capital Reserve**

| | |
|---|------|
| Allocated to demerged undertaking (Refer clause 5.5.5 of the Scheme) | 1.41 |
|---|------|

Capital Redemption Reserve

| | |
|---|--------|
| For redeemed NCPS (Refer clause 5.5.5(b) of the Scheme) | 495.00 |
| For redeemable NCPS | 820.36 |

Security Premium

| | |
|---|----------|
| on 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) (Refer clause 5.5.5(c) and (d) of the Scheme) | 3,960.00 |
| on Fully Convertible Preference Share Capital (FCPS)-Pending allotment (Refer clause 5.5.5(e) and (f) of the Scheme) | 147.23 |

Tourism Development Utilised Reserve

| | |
|---------------------------------------|----------|
| (Refer clause 5.5.5(b) of the Scheme) | 5,332.02 |
|---------------------------------------|----------|

General Reserve

| | |
|---|------------------|
| Allocated to demerged undertaking (Refer clause 5.5.5(b) of the Scheme) | 2,556.61 |
| Add: Transfer of excess of assets over liabilities (post demerger) (Refer clause 5.5.6 of the Scheme) | 7,297.37 |
| Surplus in Profit & Loss Account (Refer clause 5.5.5(b) of the Scheme) | 9,262.22 |
| | <u>29,872.22</u> |

SCHEDULE-3**SECURED LOANS****Short term loans**

| | |
|--|---------------|
| Overdraft from Banks | 345.34 |
| (Secured against hypothecation of inventories) | <u>345.34</u> |

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 1ST NOVEMBER, 2009

SCHEDULE - 4

FIXED ASSETS

| GROUP OF ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|--------------------------|---------------------|--|-----------|--------------------|---------------------|--|-----------|--------------------|--------------------|---------------------|
| | As at 31.10.2009 | Additions pursuant to scheme of arrangement & demerger | Sales/TFR | As at 1.11.2009 | As at 31.10.2009 | Additions pursuant to scheme of arrangement & demerger | Sales/TFR | As at 1.11.2009 | As at 1.11.2009 | As at 31.10.2009 |
| Land - freehold | - | 9,287.31 | - | 9,287.31 | - | - | - | - | 9,287.31 | - |
| Building | | 14,808.78 | | 14,808.78 | | 1,574.06 | | 1,574.06 | 13,234.72 | - |
| Plant & Machinery | | 9,099.66 | | 9,099.66 | | 3,058.58 | | 3,058.58 | 6,041.08 | - |
| Furniture & Fixtures | | 2,750.83 | | 2,750.83 | | 1,805.45 | | 1,805.45 | 1,145.38 | - |
| Vehicles | | 444.39 | | 444.39 | | 210.34 | | 210.34 | 234.05 | - |
| TOTAL | | 36,390.97 | | 36,390.97 | | 6,448.43 | | 6,448.43 | 29,942.54 | - |
| Capital Work in Progress | | | | 10.80 | | | | | 10.80 | |

Notes:

- Aria Hotels and Consultancy Services Private Limited, a subsidiary company has taken a term loan from banks and financial institutions for which a security is mortgaged by way of second pari passu charge created by the Company on its immovable property situated at Mumbai namely Hyatt Regency, Mumbai.
- Land - Freehold includes 50% of 1056.64 lacs stamp duty on land & building at Mumbai, which was earlier shown as recoverable from Maharashtra Tourism Development Corporation under the head loans & advances. The Maharashtra Tourism Development Corporation has agreed and admitted for Rs. 528.32 lacs as to be refunded back to the company.

| | | |
|--|-------------|-----------------------------|
| 3. Building includes leasehold Improvement | Gross Block | Rs. In Lacs 12.66 |
| | Net Block | 12.64 |

As at
1st November, 2009
Amount (Rs. Lacs)

SCHEDULE-5

INVESTMENTS - LONG TERM

Trade, Unquoted

25,010,000 equity shares of Rs.10/-each in Aria Hotels & Consultancy Services Pvt. Ltd.(a subsidiary company)

2,501.00

This investment is pledged as security for certain term loan taken from bank and financial institution by Aria Hotels and Consultancy Services Private Limited, a subsidiary company.

2,501.00

SCHEDULE-6

INVENTORIES

| | |
|---|--------------|
| Wines & Liquor | 56.07 |
| Provisions, Other Beverages and Smokes | 11.88 |
| Crockery, Cutlery, Silverware, Linen etc. | 104.05 |
| General Stores & Spares | 49.62 |
| | <hr/> 221.63 |

SCHEDULE-7

SUNDRY DEBTORS

| | |
|---|--------------|
| Outstanding for a period exceeding six months | 24.37 |
| Other debts | 890.56 |
| | <hr/> 914.93 |
| Less: Provision for doubtful debts | 5.59 |
| | <hr/> 909.34 |

Unsecured considered good

909.34

Unsecured considered doubtful

5.59

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 1ST NOVEMBER, 2009

As at
1st November, 2009
Amount (Rs. Lacs)

SCHEDULE-8**CASH AND BANK BALANCES**

| | |
|------------------------|---------------|
| Cash in hand | 7.96 |
| Cheques in hand | 81.37 |
| With Scheduled Banks : | |
| in Current Accounts | 248.71 |
| in Fixed Deposits | 250.00 |
| | <u>588.04</u> |

SCHEDULE-9**LOANS AND ADVANCES**

| | |
|---|-----------------|
| Loan to subsidiary companies | |
| Aria Hotels & Consultancy Services Private Limited | 12.17 |
| Advances recoverable in cash or in kind or for value to be received | 3,285.29 |
| Balances with Govt. departments & others | 528.32 |
| Security Deposits | 26.96 |
| Interest accrued on loans, deposits and investments (net of tax) | 5.34 |
| | <u>3,858.07</u> |
| Less: Provision for doubtful advances/deposits | 1.45 |
| | <u>3,856.63</u> |
| Unsecured considered good | 3,929.30 |
| Unsecured considered doubtful | 1.45 |

SCHEDULE-10**CURRENT LIABILITIES**

| | |
|--|-----------------|
| Sundry Creditors | |
| Due to Micro, Small and Medium Enterprises | — |
| Other Creditors* | 801.15 |
| Advance from Customers | 218.13 |
| Security Deposits | 1,200.80 |
| Other Liabilities | 871.21 |
| | <u>3,091.28</u> |

* Includes commission payable to directors Rs. 359.58 lacs

SCHEDULE-11**PROVISIONS**

| | |
|--|---------------|
| Provision for Gratuity | 175.05 |
| Provision for Leave Encashment | 31.77 |
| Proposed Dividend (including corporate dividend tax) | 4.39 |
| | <u>211.21</u> |

(Proposed dividend includes dividend on pref Shares - 3.75 & dividend on NCPS - 0.64)

SCHEDULE-12**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES:****i) Basis of Accounting**

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Accounting Standard Rules, 2006 under the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

ii) Use of Estimates

The preparation of financial statement is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

iii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (a) Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer.
- (b) Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- (c) Dividend income from investments is recognized when the Company's right to receive payment is established.
- (d) Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

iv) Income in Foreign Exchange

The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills is credited and accounted for at the rate / rates prevalent on the date of receipt of payment. The gains / losses arising out of fluctuation in the exchange rates are accounted for on realization.

v) Claims Recoverable

Claims recoverable are accrued only to the extent as admitted by the parties.

vi) Expenses remittable in foreign exchange

These are charged based on invoices (including for earlier years) as approved and accepted by the appropriate authorities as applicable.

vii) (a) Foreign Exchange Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction, while those remaining unsettled at the year end are translated at the year end rates resulting in exchange differences being recognized as income /expenses (net).

(b) Foreign Currency Balances

Foreign Currency balances at the year end are converted at the year end rate of exchange except covered by forward cover contracts in respect of foreign currency loans, which are converted at the contracted forward rates.

viii) Employee Benefits

- (a) Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet.
- (b) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. It is a defined contribution scheme and the contribution is charged to Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective fund.

ix) Taxation

- (a) Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (b) Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with mandatory Accounting Standard (AS-22).
- (c) Deferred Tax asset is recognized only to the extent that there is a reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized.
- (d) Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

x) Fixed Assets and Depreciation**(a) Fixed Assets**

Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/ amortization. Cost represents the direct expenses incurred on acquisition /construction of the assets and the relative share of indirect expenses relating to construction allocated in proportion to the direct costs involved.

(b) Depreciation

- (i) Depreciation as per straight line method has been charged in the accounts.
- (ii) The charge is on the basis of rates as prescribed under Schedule XIV of the Companies Act, 1956 pro rata from the month of purchase. If purchased before or on 15th of month depreciation is charged from the month of purchase otherwise depreciation is charged from the month following the month of purchase.
- (iii) No depreciation is charged on the assets sold/ discarded during the year.

xi) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments or short term investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the Profit and Loss Account. Long-term investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Profit and Loss Account. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.

xii) Inventory

- (a) Inventory is valued at cost or net realizable value whichever is lower.
- (b) Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.

xiii) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.

xiv) Cash and cash equivalents

Cash and cash equivalents in the cash flow comprise cash at bank and cash/ cheques in hand and short term deposits with Banks less short term advances from Banks.

xv) Provisions and Contingent liabilities

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

B. NOTES TO ACCOUNTS

1. This Balance Sheet of the Company has been prepared after giving effect to the terms of the Scheme, to be filed with the Delhi High Court and also to be dispatched to the equity shareholders of the Company.
2. Contingent Liabilities not provided for in respect of:
 - a) Estimated amount of contracts remaining to be executed on capital account (net of advances): Rs. 172.93 Lacs.
 - b) Export obligation in respect of EPCG Licenses: Rs. 833.16 Lacs.
3. Pursuant to the Scheme of Arrangement & Demerger (the Scheme) under section 391-394 of the Companies Act, 1956 and approved by the Hon'ble High Court of Delhi vide its Order dated 13th January 2010, the Mumbai undertaking of the Aslan Hotels Ltd. as defined in clause 1.2.1 of the Scheme comprising interalia of hotel Hyatt Regency, Mumbai and related assets & liabilities stands transferred to & vested in the Company w.e.f the appointed date, 31st October, 2009.
All fixed and current assets, investments, loans & advances and debts & liabilities taken over have been accounted for at book values. Accounting treatment and allocation of reserves has been carried out in accordance with the provisions in the Scheme.
Excess of assets over debts & liabilities taken over has been credited to General Reserve in accordance with clause 5.5 of the Scheme.
4. Capital Work in Progress consists of:
Advances for capital contracts 10.80 Lacs
5. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the Management, the reduction in value of any asset, to the extent required, has already been provided for in the books. In respect of subsidiaries such decision is based on the management accounts/audited accounts of the subsidiaries, as available on the basis of the information and explanations available.
6. Loans and advances include a claim in respect of stamp duty lodged with Maharashtra Tourism Development Corporation by the company of Rs 528.32 Lacs relating to land at Mumbai, considered to be fully recoverable in the opinion of the management.
7. Out of Service Tax demand for Rs. 146.11 Lacs, Rs. 95.94 Lacs had been paid under protest. In the opinion of the management, amount paid under protest is not liable to be paid and hence has been included under "Loans & Advances" as "Claims Recoverable". Refund of the amount has been applied for vide application dated May 9, 2008.
8. As the company is engaged in only one segment of Hotel business, therefore, the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting" are not applicable.

9. The Company has classified the various benefits provided to employees as under:-

- a) Defined contribution plans
 - i. Provident fund
- b) Defined benefits plans
 - i. Contribution to Gratuity funds
 - ii. Compensated absences - Earned leave

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined plans based on the following assumptions:-

Economic Assumptions

The discount rate and salary increases assumed are key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefit obligations works out to 0 years. For the current valuation a discount rate of 8 % p.a. compound, has been used in consultation with the employer.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the company's philosophy towards employee remuneration are also to be taken into account. Again a long- term view as to the trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors. The assumptions used are summarized in the following table:

| Gratuity (Unfunded) | | Compensated absences Earned leave (Unfunded) | | |
|--|--------------------------------|---|--------------------------------|----|
| Discount rate (per annum) | 8% | | 8% | |
| Future salary increase | 8% | | 8% | |
| Expected rate of return on plan assets | 0% | | 0% | |
| In service mortality | LIC (1994-96) duly modified | | LIC (1994-96) duly modified | |
| Retirement age | 58 years | | 58 years | |
| Withdrawal rates: | | | | |
| | Upto 30 years | 3% | Upto 30 years | 3% |
| | Upto 44 years | 2% | Upto 44 years | 2% |
| | Above 44 years | 1% | Above 44 years | 1% |

Pursuant to the Scheme of Arrangement & Demerger (the Scheme), liabilities on account of gratuity and leave encashment benefit which have been transferred to & vested in the company are Rs.175.05 lacs and Rs.31.76 lacs respectively. The plan assets are held in the respective trusts maintained by Asian Hotels Ltd. prior to the Scheme which will be appropriated in future.

10. In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and transactions with them, as identified and certified by the management, are as follows :-

| | |
|--|--|
| Subsidiaries | Aria Hotels & Consultancy Private Limited |
| Associates | None |
| Key Management Personnel | Mr. Sushil Gupta (Managing Director) |
| Relatives of Key Management Personnel | Mr. Sandeep Gupta (Son of Mr. Sushil Gupta) |
| Entities over which Directors and their relatives can exercise significant influence | M/s. Bhasin & Co Choice Hospitality (India) Pvt. Ltd. Godfrey Philips Ltd. Eden Park Hotels Pvt. Ltd. |

Transactions with related parties

| Particulars | Subsidiaries | Associates | Relatives of Key Management Personnel | Key Management Personnel | Entities controlled by Directors or their relatives |
|-------------|--------------|------------|---------------------------------------|--------------------------|---|
| Receivables | 1,217,234 | — | — | — | 265,897 |

For Investment in Subsidiaries, refer schedule-5.

11. Net deferred tax liability is on account of the following: (Rs. in Lacs)

Timing difference in respect of:

Depreciation 2944.67

Provision for retirement benefits (70.30)

Provision for doubtful debts / advances (2.39)

2871.98

12. Future commitments in respect of minimum lease payments payable for non cancellable operating leases (other than land) entered into by the company:
- a) Not later than one year 33.00 Lacs
- b) Later than one year and not later than five years 41.25 Lacs
13. 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) were redeemable in three installments of 25%, 25% and 50% (including redemption premium) on 30th June 2008, 30th June 2009 and 30th June 2010 respectively.

(Rs. in lacs)

| Date of Redemption | Amount of Redemption pending | |
|-----------------------------|------------------------------|---------|
| | IDFC | MAGUS |
| 30 th June, 2010 | 2391.84 | 2227.50 |

The amounts are in accordance with the ratios of allocation mentioned in clause 5.5 of the Scheme of Arrangement & Demerger.

14. The company has received Rs 150.01 Lacs as subscription money against the Fully Convertible Preferences Shares (FCPS) to be issued pursuant to the Scheme.
15. Disclosure of other items as required by Part-II of Schedule-VI to the Companies Act, 1956 is not applicable.
16. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006.
- The Company had sent letters to its suppliers for confirmation of their registration in MSMED Act, 2006 and on the basis of reply received from suppliers the disclosure is given below:-

| | Particulars | Current year | Previous year |
|----|--|--------------|---------------|
| a) | Principal amount remaining unpaid to any supplier as at date | 0.00 | 0.00 |
| b) | Interest due thereon | 0.00 | 0.00 |
| c) | Amount of interest paid by the company in terms of section 16 of the MSMED, along with amount of the payment made to supplier beyond the appointed day | 0.00 | 0.00 |
| d) | Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED | 0.00 | 0.00 |
| e) | Amount of interest accrued and remaining unpaid | 0.00 | 0.00 |

17. Term Loans taken by Aria Hotels and Consultancy Services Private Limited, a subsidiary company, from a financial institution and bank are secured by way of:-
- a) Mortgage by way of second pari passu charge created by the company on its immovable property situated at Mumbai namely Hotel Hyatt Regency, Mumbai.
- b) First pari passu charge created by the Company on credit card receivables of Hyatt Regency, Mumbai.
- c) Pledge of Investment of the Company in Aria Hotels and Consultancy Services Private Limited, a subsidiary company.
- d) Personal Guarantees of two of the directors of the Company.
18. There are no foreign currency exposures with the company.
19. Schedules 1 to 12 form an integral part of the Balance Sheet as at 1st November, 2009.

As per our report of even date

For and on behalf of the Board

FOR S.S. KOTHARI MEHTA & CO.
CHARTERED ACCOUNTANTS

SUSHIL GUPTA
Director

LALIT BHASIN
Director

Arun K. Tulsian

Partner

Membership No. 89907

NEW DELHI

DATED: 16th January, 2010

AUDITORS' REPORT

To the Members of **VARDHMAN HOTELS LIMITED**

We have audited the attached reconstructed Balance Sheet of **VARDHMAN HOTELS LIMITED** as at 1st November, 2009 (Post De-merger and beginning of business hours of the day) annexed thereto. The Balance Sheet is the responsibility of the Company's management. Our responsibility is to express an opinion on the Balance Sheet based on our audit.

As per the Scheme of Arrangement and Demerger (the Scheme) referred to in Note 4 in Schedule 11 Notes to Accounts annexed to the Balance Sheet, the Kolkata Undertaking has been demerged from Asian Hotels Limited as of the Appointed Date i.e. 31st October, 2009.

This Balance Sheet of the Company has been prepared after giving effect to the terms of the Scheme, to be filed with the Hon'ble Delhi High Court and also be despatched to the equity shareholders of the Company.

This Balance Sheet of the Company shall form part of the Scheme as Part-VI thereof.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- (i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books. The books have incorporated the assets, liabilities and reserves as transferred to and vested in the company in terms of the provisions of the Scheme;
- (iii) The Balance Sheet dealt with by this report is in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet dealt with by this report complies with the Accounting Standards referred to in Section 211 (3C) of the Companies Act 1956;
- (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view, in the case of the Balance Sheet, of the state of affairs of the Company as at 1st November, 2009 (Post De-merger and beginning of business hours of the day), in conformity with the accounting principles generally accepted in India.

For S. S. KOTHARI MEHTA & CO.
Chartered Accountants

ARUN K. TULSIAN
PARTNER
M NO: 89907

NEW DELHI
DATED: 16th January, 2010

BALANCE SHEET AS AT 1ST NOVEMBER, 2009

| | Schedule | As at 1st November, 2009 Amount (Rs. In Lacs) |
|---|----------|--|
| SOURCES OF FUNDS | | |
| Share Capital | 1 | 1,152.96 |
| Reserves & Surplus | 2 | 72,526.94 |
| NET DEFERRED TAX LIABILITY | | 2,151.39 |
| | | <u>75,831.29</u> |
| APPLICATION OF FUNDS | | |
| FIXED ASSETS | 3 | |
| Gross Block | | 20,158.84 |
| Less: Depreciation | | 4,694.76 |
| Net Block | | 15,464.08 |
| Capital Work-in-Progress | | 163.57 |
| | | <u>15,627.65</u> |
| INVESTMENTS | 4 | 26,958.61 |
| CURRENT ASSETS, LOANS AND ADVANCES | | |
| Inventories | 5 | 183.43 |
| Sundry Debtors | 6 | 265.80 |
| Cash and Bank Balances | 7 | 32,758.68 |
| Loans and Advances | 8 | 1,438.04 |
| | | <u>34,645.95</u> |
| CURRENT LIABILITIES AND PROVISIONS | | |
| Liabilities | 9 | 1,298.21 |
| Provisions | 10 | 102.70 |
| | | <u>1,400.91</u> |
| NET CURRENT ASSETS | | <u>33,245.03</u> |
| Profit & Loss Account | | <u>75,831.29</u> |
| SIGNIFICANT ACCOUNTING POLICIES | 11 | |
| NOTES ON ACCOUNTS | | |

As per our report of even date

For and on behalf of the Board

FOR S.S. KOTHARI MEHTA & CO.
CHARTERED ACCOUNTANTSUMESH SARAF
DirectorSUSHIL GUPTA
DirectorArun K. Tulsian
Partner
Membership No. 89907Place : New Delhi
Dated : 16th January, 2010

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 1ST NOVEMBER, 2009

As at 1st November, 2009
Amount (Rs. Lacs)**SCHEDULE-1****SHARE CAPITAL****AUTHORISED**

| | |
|---|-----------------|
| 14000000 (previous period 14000000) Equity Shares of Rs.10 each | 1,400.00 |
| 1000000 (previous year 1000000) Preference shares of Rs.10 each | 100.00 |
| | 1,500.00 |

SUBSCRIBED & PAID UP SHARE CAPITAL:

| | |
|---|-----------------|
| 11401782 Equity Shares of Rs. 10 each fully paid up (Refer clause 5.5.1 of the Scheme) | 1,140.18 |
| 100000 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) of Rs.10 each (Refer clause 5.4.2 of the Scheme) | 10.00 |
| Fully Convertible Preference Share Capital (FCPS)-Pending allotment Representing Capital (Refer clause 5.4.2 of the Scheme) | 2.78 |
| | 1,152.96 |

SCHEDULE-2**RESERVES & SURPLUS****Capital Reserve**

| | |
|---|------|
| Allocated to demerged undertaking (Refer clause 5.5.5 of the Scheme) | 1.41 |
|---|------|

Capital Redemption Reserve

| | |
|---|-------|
| For redeemed NCPS (Refer clause 5.5.5(b) of the Scheme) | 10.00 |
| For redeemable NCPS | 13.32 |

Security Premium

| | |
|---|--------|
| on 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) (Refer clause 5.5.5(c) and (d) of the Scheme) | 80.00 |
| on Fully Convertible Preference Share Capital (FCPS)-Pending allotment (Refer clause 5.5.5(e) and (f) of the Scheme) | 147.23 |

Tourism Development Utilised Reserve

| | |
|---------------------------------------|----------|
| (Refer clause 5.5.5(b) of the Scheme) | 5,332.02 |
|---------------------------------------|----------|

General Reserve

| | |
|---|-----------|
| Allocated to demerged undertaking (Refer clause 5.5.5(b) of the Scheme) | 2,556.61 |
| Add: Transfer of excess of assets over liabilities (post demerger) (Refer clause 5.5.6 of the Scheme) | 55,117.30 |

| | |
|---|------------------|
| Surplus in Profit & Loss Account (Refer clause 5.5.5(b) of the Scheme) | 9,269.05 |
| | 72,526.94 |

SCHEDULE-3**FIXED ASSETS**

| GROUP OF ASSETS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | | |
|--------------------------|---------------------|-----------------------|---------------|--------------------|---------------------|-----------------------|---------------|--------------------|--------------------|---------------------|---|
| | As at 31.10.2009 | Additions pursuant | Sales/ TFR | As at 1.11.2009 | As at 31.10.2009 | Additions pursuant | Sales/ TFR | As at 1.11.2009 | As at 1.11.2009 | As at 31.10.2009 | |
| Land - Leasehold | - | 1,467.71 | - | 1,467.71 | - | - | - | - | 1,467.71 | - | |
| Building | | 9,848.36 | | 9,848.36 | | 1,090.72 | | 1,090.72 | 8,757.65 | | - |
| Plant & Machinery | | 6,991.81 | | 6,991.81 | | 2,476.97 | | 2,476.97 | 4,514.84 | | - |
| Furniture & Fixtures | | 1,716.97 | | 1,716.97 | | 1,072.97 | | 1,072.97 | 644.00 | | - |
| Vehicles | | 133.98 | | 133.98 | | 54.11 | | 54.11 | 79.88 | | - |
| TOTAL | | 20,158.84 | | 20,158.84 | | 4,694.76 | | 4,694.76 | 15,464.08 | | - |
| Capital Work in Progress | | | | 163.57 | | | | | 163.57 | | |

As at 1st November, 2009
Amount (Rs. Lacs)**SCHEDULE-4****INVESTMENTS - LONG TERM****Trade, Unquoted**

| | |
|--|-----------|
| 91652 Equity shares of Rs.10/- each of Regency Convention Centre and Hotels Limited (a subsidiary company) | 2,579.02 |
| 10,961,000 Equity shares of Rs.10/- each of GJS Hotels Limited (a subsidiary company) | 23,463.65 |

INVESTMENTS - CURRENT**Non-Trade, Quoted**

| | |
|---|------------------|
| 91,55,421.38 units of Rs. 10 each of LIC MF Income Plus Fund - Weekly Dividend Plan | 915.94 |
| NAV as on 31st October 2009 Rs. 916.05 lacs | 26,958.61 |

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 1ST NOVEMBER, 2009

As at 1st November, 2009

Amount (Rs. Lacs)

SCHEDULE-5**INVENTORIES**

| | |
|---|---------------|
| Wines & Liquor | 90.96 |
| Provisions, Other Beverages and Smokes | 29.21 |
| Crockery, Cutlery, Silverware, Linen etc. | 44.35 |
| General Stores & Spares | 18.90 |
| | <u>183.43</u> |

SCHEDULE-6**SUNDRY DEBTORS**

| | |
|---|---------------|
| Outstanding for a period exceeding six months | 38.82 |
| Other debts | 255.85 |
| | <u>294.67</u> |
| Less: Provision for doubtful debts | 28.87 |
| | <u>265.80</u> |
| Unsecured considered good | 265.80 |
| Unsecured considered doubtful | 28.87 |

SCHEDULE-7**CASH AND BANK BALANCES**

| | |
|------------------------|------------------|
| Cash in hand | 11.50 |
| Share transfer Stamps | 2.00 |
| With Scheduled Banks : | — |
| Cash Credit Accounts* | 0.14 |
| Current Accounts | 134.31 |
| Fixed Deposits | 32,610.74 |
| | <u>32,758.68</u> |

*Secured against hypothecation of inventories

SCHEDULE-8**LOANS AND ADVANCES**

| | |
|---|-----------------|
| Loan to subsidiary companies | |
| — GJS Hotels Limited | 535.27 |
| — Regency Convention Centre & Hotels Limited | 55.82 |
| Advances recoverable in cash or in kind or for value to be received | 611.26 |
| Balances with Govt. Departments & others | 140.00 |
| Security Deposits | 14.95 |
| Interest accrued on loans, deposits and investments (net of tax) | 80.74 |
| | <u>1,438.04</u> |
| Unsecured considered good | 1,503.49 |
| Unsecured considered doubtful | — |

SCHEDULE-9**CURRENT LIABILITIES****Sundry Creditors**

| | |
|-------------------------------------|-----------------|
| Micro, Small and Medium Enterprises | — |
| Other Creditors* | 579.92 |
| Advance from Customers | 174.09 |
| Security Deposits | — |
| Other Liabilities | 544.21 |
| | <u>1,298.21</u> |

* Includes commission payable to directors Rs. 359.58 lacs

SCHEDULE-10**PROVISIONS**

| | |
|--------------------------------|---------------|
| Provision for Gratuity | 82.46 |
| Provision for Leave Encashment | 20.24 |
| | <u>102.70</u> |

SCHEDULE-11**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES:****i) Basis of Accounting**

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Accounting Standard Rules, 2006 under the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

ii) Use of Estimates

The preparation of financial statement is in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

iii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (a) Revenue from rendering of hospitality services is recognized when the related services are performed and billed to the customer.
- (b) Interest income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.
- (c) Dividend income from investments is recognized when the Company's right to receive payment is established.
- (d) Income from hiring of vehicles is recognized on accrual basis on the basis of agreed rate.

iv) Income in Foreign Exchange

The bills for services rendered are raised in Indian Rupees. The payment received in foreign currency against these bills is credited and accounted for at the rate / rates prevalent on the date of receipt of payment. The gains / losses arising out of fluctuation in the exchange rates are accounted for on realization.

v) Claims Recoverable

Claims recoverable are accrued only to the extent as admitted by the parties.

vi) Expenses remittable in foreign exchange

These are charged based on invoices (including for earlier years) as approved and accepted by the appropriate authorities as applicable.

vii) (a) Foreign Exchange Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction, while those remaining unsettled at the year end are translated at the year end rates resulting in exchange differences being recognized as income /expenses (net).

(b) Foreign Currency Balances

Foreign Currency balances at the year end are converted at the year end rate of exchange except covered by forward cover contracts in respect of foreign currency loans, which are converted at the contracted forward rates.

viii) Employee Benefits

- (a) Provision for gratuity and leave encashment are based on actuarial valuation as on the date of the Balance Sheet.
- (b) All employees are covered under contributory provident fund benefit of a contribution of 12% of salary. It is a defined contribution scheme and the contribution is charged to Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contributions payable to the respective fund.

ix) Taxation

- (a) Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (b) Deferred Tax is provided during the year, using the liability method on all temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes in accordance with mandatory Accounting Standard (AS-22).
- (c) Deferred Tax asset is recognized only to the extent that there is a reasonable certainty that sufficient taxable profit will be available against which such deferred tax asset can be realized.
- (d) Deferred Tax asset and liability are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Balance Sheet date.

x) Fixed Assets and Depreciation**(a) Fixed Assets**

Fixed assets are stated at cost of acquisition or construction or at revalued amounts, net of impairment loss if any, less depreciation/ amortization. Cost represents the direct expenses incurred on acquisition /construction of the assets and the relative share of indirect expenses relating to construction allocated in proportion to the direct costs involved.

(b) Depreciation

- (i) Depreciation as per straight line method has been charged in the accounts.
- (ii) The charge is on the basis of rates as prescribed under Schedule XIV of the Companies Act, 1956 pro rata from the month of purchase. If purchased before or on 15th of month depreciation is charged from the month of purchase otherwise depreciation is charged from the month following the month of purchase.
- (iii) No depreciation is charged on the assets sold/ discarded during the year.

xi) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments or short term investments. All other investments are classified as long-term investments. Current investments are valued at the lower of cost and fair value. Changes in the carrying amount of current investments are recognised in the Profit and Loss Account. Long-term investments are valued at cost, less any provision for diminution, other than temporary, in the value of such investments; decline, if any, is charged to the Profit and Loss Account. Cost comprises cost of acquisition and related expenses such as brokerage and stamp duties.

xii) Inventory

- (a) Inventory is valued at cost or net realizable value whichever is lower
- (b) Operating equipment in circulation is valued at weighted average cost less estimated diminution in value on account of usage.

xiii) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices.

xiv) Cash and cash equivalents

Cash and cash equivalents in the cash flow comprise cash at bank and cash/ cheques in hand and short term deposits with Banks less short term advances from Banks.

xv) Provisions and Contingent liabilities

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

B. NOTES TO ACCOUNTS

1. This Balance Sheet of the Company has been prepared after giving effect to the terms of the Scheme, to be filed with the Delhi High Court and also to be dispatched to the equity shareholders of the Company.
2. Estimated amount of contracts remaining to be executed on capital account (net of advances): Rs. Nil
3. Contingent Liabilities not provided for in respect of:
 - a) Claims against the company not acknowledged as debts: Rs. 14.58 lacs.
 - b) Export obligation in respect of EPCG Licenses: Rs. 243.01 lacs.
4. Pursuant to the Scheme of Arrangement & Demerger (the Scheme) under section 391-394 of the Companies Act, 1956 and approved by the Hon'ble High Court of Delhi vide its Order dated 13th January 2010, the Kolkata undertaking of the Asian Hotels Ltd. as defined in clause 1.2.1 of the Scheme comprising Interalia of hotel Hyatt Regency, Kolkata and related assets & liabilities stands transferred to & vested in the company w.e.f the appointed date, 31st October, 2009.
All fixed and current assets, investments, loans & advances and debts & liabilities taken over have been accounted for at book values. Accounting treatment and allocation of reserves has been carried out in accordance with the provisions in the Scheme.
Excess of assets over debts & liabilities taken over has been credited to General Reserve in accordance with clause 5.5 of the Scheme.
5. Capital Work in Progress consists of:

| | |
|---|-------------|
| Renovation/refurbishing work/other work in progress | 157.75 Lacs |
| Advances for capital contracts | 5.82 Lacs |
6. As on date company held 91,652 Equity Shares of Rs 10/- each of its subsidiary, Regency Convention Centre and Hotels Limited (RCC), representing 58.99% of the paid up capital of RCC. Apart from the above the company had also made an advance of Rs. 334 lacs for acquiring further shares of RCC from their existing shareholders.

The principal assets of RCC comprise of an interest in a parcel of land at Mumbai, such interest being the subject matter of dispute pending in the Bombay High Court. However, RCC has been legally advised by its lawyers that it has a good chance of success. An independent broker has also made an indicative offer to the Company for its interest in RCC at a value which is higher than the related book value in the books of the Company. Such assets form part of the company's undertaking at book values.

The value of the above assets is primarily dependent on the legal dispute and is, therefore, subject matter of significant uncertainty at this juncture. As such, the ultimate outcome of the matter and, therefore, whether there is impairment, if any, in the value of the aforesaid assets cannot be reasonably determined at present.

7. The Company has not recognised any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on "Impairment of Assets" since in the opinion of the Management, the reduction in value of any asset, to the extent required, has already been provided for in the books. In respect of subsidiaries such decision is based on the management accounts/audited accounts of the subsidiaries, as available on the basis of the information and explanations available.
8. The Company has received notices with regard to Service Tax demand on certain services aggregating to Rs 14.58 Lacs considered to be not tenable in the opinion of the Company. These are thus included under "Contingent Liabilities" as "Claims against the company not acknowledged as debts" and no provision has been made against the same.
9. As the company is engaged in only one segment of Hotel business, therefore, the disclosure requirements of Accounting Standard (AS-17) on "Segment Reporting" are not applicable.
10. The Company has classified the various benefits provided to employees as under:-
 - a) Defined contribution plans
 - i. Provident fund
 - b) Defined benefits plans
 - i. Contribution to Gratuity funds
 - ii. Compensated absences – Earned leave

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined plans based on the following assumptions:-

Economic Assumptions

The discount rate and salary increases assumed are key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefit obligations works out to 0 years. For the current valuation a discount rate of 8 % p.a. compound, has been used in consultation with the employer.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. Regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the company's philosophy towards employee remuneration are also to be taken into account. Again a long- term view as to the trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors. The assumptions used are summarized in the following table:

| | Gratuity (Unfunded) | Compensated absences Earned leave (Unfunded) |
|--|-----------------------------|---|
| Discount Rate (per annum) | 8% | 8% |
| Future salary increase | 8% | 8% |
| Expected rate of return on plan assets | 0% | 0% |
| In service mortality | LIC (1994-96) duly modified | LIC (1994-96) duly modified |
| Retirement age | 58 years | 58 years |
| Withdrawal rates: | Upto 30 years 3% | Upto 30 years 3% |
| | Upto 44 years 2% | Upto 44 years 2% |
| | Above 44 years 1% | Above 44 years 1% |

Pursuant to the Scheme of Arrangement & Demerger (the Scheme), liabilities on account of gratuity and leave encashment benefit which have been transferred to & vested in the company are Rs.82.46 lacs and Rs.20.24 lacs respectively. The plan assets are held in the respective trusts maintained by Asian Hotels Ltd. prior to the Scheme which will be appropriated in future.

11. In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and transactions with them, as identified and certified by the management, are as follows :-

| | |
|--|--|
| Subsidiaries | a) Regency Convention Centre and Hotels Limited b) GJS Hotels Limited |
| Associates | None |
| Key Management Personnel | Mr. Umesh Saraf (Managing Director) |
| Relatives of Key Management Personnel | Mr. R.G.Saraf (Uncle of Mr. Umesh Saraf) |
| Entities over which Directors and their relatives can exercise significant influence | Juniper Hotels Pvt. Ltd. Nepal Travel Agency Pvt. Ltd. |

Transactions with related parties

| Particulars | Subsidiaries | Associates | Relatives of Key Management Personnel | Key Management Personnel | Entities controlled by Directors or their relatives |
|-------------|--------------|------------|---|-----------------------------|---|
| Receivables | 59,108,879 | — | — | — | — |

For Investment in Subsidiaries, refer schedule-4.

12. Net deferred tax liability is on account of the following:

(Rs. in lacs)

Timing difference in respect of:

Depreciation 2196.12

Provision for retirement benefits

(34.91)

Provision for doubtful debts / advances

(9.82)

2151.39

13. 1% Cumulative Redeemable Non-Convertible Preference Shares (NCPS) were redeemable in three installments of 25%, 25% and 50% (including redemption premium) on 30th June 2008, 30th June 2009 and 30th June 2010 respectively.

(Rs. in lacs)

Date of Redemption

Amount of Redemption pending

IDFC

MAGUS

30th June, 2010

48.32

45.00

The amounts are in accordance with the ratios of allocation mentioned in clause 5.5 of the Scheme of Arrangement & Demerger.

14. The company has received Rs 150.01 Lacs as subscription money against the Fully Convertible Preference Shares (FCPS) to be issued pursuant to the Scheme.
15. Disclosure of other items as required by Part-II of Schedule-VI to the Companies Act, 1956 is not applicable.
16. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006".
- The Company had sent letters to its suppliers for confirmation of their registration in MSMED Act, 2006 and on the basis of reply received from suppliers the disclosure is given below:-

| Particulars | Current year | Previous year |
|---|--------------|---------------|
| a) Principal amount remaining unpaid to any supplier as at date | 0.00 | 0.00 |
| b) Interest due thereon | 0.00 | 0.00 |
| c) Amount of interest paid by the company in terms of section 16 of the MSMED, along with amount of the payment made to supplier beyond the appointed day | 0.00 | 0.00 |
| d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED | 0.00 | 0.00 |
| e) Amount of interest accrued and remaining unpaid | 0.00 | 0.00 |

17. There are no foreign currency exposures with the company.
18. Schedules 1 to 11 form an integral part of the Balance Sheet as at 1st November, 2009.

As per our report of even date

For and on behalf of the Board

FOR S.S. KOTHARI MEHTA & CO.
CHARTERED ACCOUNTANTS

UMESH SARAF
Director

SUSHIL GUPTA
Director

Arun K. Tulsian
Partner
Membership No. 89907

Place : New Delhi
Dated : 16th January, 2010

IN THE HIGH COURT OF DELHI AT NEW DELHI
COMPANY JURISDICTION
COMPANY PETITION NO. 16 OF 2008

IN THE MATTER OF :

The Companies Act, 1956;

AND

IN THE MATTER OF :

Petition under Sections 391-394 of the Companies Act, 1956;

AND

IN THE MATTER OF:

Scheme of Arrangement and Demerger between Asian Hotels Limited, Chilwinds Hotels Limited and Vardhman Hotels Limited

AND

IN THE MATTER OF

ASIAN HOTELS LIMITED,

Petitioner Company No.1/Transferor Company

having its Registered Office at :

Bhikaji Cama Place,

M.G. Marg, New Delhi -110067

CHILWINDS HOTELS LIMITED,

Petitioner Company No.2/Transferee Company-I

having its Registered Office at

D-4, Qutub Hotel & Apartments,

Shaheed Jeet Singh Marg, New Delhi-110016

VARDHMAN HOTELS LIMITED,

Petitioner Company No.3/Transferee Company-II

having its Registered Office at

145, Tribhuvan Complex, Ishwar Nagar,

Mathura Raod, New Delhi-110065

SCHEDULE

Short description of the properties, assets and liabilities of the Transferor Company to be transferred to Transferee Company-I as part of the "Mumbai Undertaking" and short description of the properties, assets and liabilities of the Transferor Company to be transferred to Transferee Company-II as part of the "Kolkata Undertaking"

Part I

Short description of the freehold property of the Transferor Company to be transferred to Transferee Company-I

All those pieces or parcels of land admeasuring 15,330 Sq. Mts. originally bearing C.T.S. No. 47 (Part) of Village Bapnala and Survey No. 98 (Part) / C.T.S. No. 145 (Part) Survey No. 102 (Part) / C.T.S. No. 232 (Part) of Village Sahar and now bearing C.T.S. No. 145-B/1 of Village Sahar admeasuring 9,957.60 Sq. Mtrs and C.T.S. No. 41-B/3C of village Bapnala admeasuring 5,375.40 Sq. Mts. and aggregating to 15,333 Sq. Mts or thereabouts and bounded as herein: on or towards the North by C.T.S. No. 41 (Part), 47 (Part) and 48 of Village Bapnala; on or towards the East by C.T.S. No. 48 of village Bapnala and Survey No. 98 (Part) / C.T.S. No. 145 (Part) of Village Sahar; on or towards the South by existing 27.45 M wide Sahar Airport Road; and on or towards the West by proposed 13.40 M (44ft) wide D.P. Road as reflected in the sanctioned D.P. of K/East Ward.

Short description of the freehold property of the Transferor Company being transferred to Transferee Company-II

Nil

Part II**Short description of the leasehold property of the Transferor Company to be transferred to Transferee Company-I****Nil****Short description of the leasehold property of the Transferor Company being transferred to Transferee Company-II**

All that leasehold land measuring 6.0047 acres bearing Plot No. 1 in Block JA in Sector-III of Bhidannagar in the District of North 24 Parganas, Police Station Bidhannagar, Registration Office Bidhannagar.

Boundaries

North : Stadium Complex and Type II Road
 South : Stadium
 East : Stadium
 West : E.M. Bye Pass Road after 15 m strip of land

Part III**Short description of all stocks, shares, debentures, charges in action and licenses, permissions, approvals, exemption certificates, entitlements and statutory approvals under various applicable laws of the Transferor Company being transferred to the Transferee Company-I**

- (a) all assets whether movable or immovable, tangible or intangible, including all rights, title, interest, covenant, undertaking, including continuing rights, title and interest in connection with the land and the buildings thereon whether, corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or moveable, and whether leased or otherwise, including inventory and work in progress, together with all present and future liability including contingent liabilities and debts appertaining thereto, of the Transferor Company all of which relate to the Mumbai Undertaking;
- (b) all investments (including investments in 2,50,10,000 equity shares of the face value of Rs. 10/- each credited as fully paid-up, of Aria Hotels and Consultancy Services Private Limited* bearing distinctive numbers from 001 to 2,50,10,000 including 10 shares held jointly with a nominee of the Company), loans and advances, including accrued interest thereon, of the Transferor Company appertaining to the Mumbai Undertaking, including deposits/advances paid towards acquisition of immovable property in Bangalore;
- (c) all debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, pertaining to the Mumbai Undertaking (including debts, borrowings and liabilities incurred in relation to Aria Hotels and Consultancy Services Private Limited");
- (d) all permits, quotas, rights, entitlements, licenses, approvals, consents, tenancies, offices and depots, trademarks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, easements, power and facilities of every kind and description whatsoever appertaining to the Mumbai Undertaking;
- (e) All earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to the Mumbai Undertaking.

Short description of all stocks, shares, debentures charges in action and licenses, permissions, approvals, exemption certificates, entitlements and statutory approvals under various applicable laws of the Transferor Company being transferred to the Transferee Company-II

- (a) all assets whether movable or immovable, tangible or intangible, including all rights, title, interest, covenant, undertakings, including continuing rights, title and interest in connection with the land and the buildings thereon whether, corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or moveable, and whether lease or otherwise, including inventory and work in progress, together with all present and future liability including contingent liabilities and debts appertaining thereto, of the Transferor Company all of which relate to the Kolkata Undertaking;
- (b) all investments (including 1,09,61,000 equity shares of Rs. 10/- each credited as fully paid-up, held in GJS Hotels Limited bearing distinctive numbers from 001 to 10961000 including 60 shares jointly held with the nominees of the Company; and 91,652 equity shares of Rs. 10/- each credited as fully paid-up of Regency Convention Centre and Hotels Limited bearing distinctive number from 70001 to 145000; 14751 to 23076; and 53751 to 62076), loans and advances (including accrued interest thereon, along with advances for purchase of certain shares of Regency Convention Centre and Hotels Limited from other shareholders thereof, and provisions against such advances) of the Transferor Company appertaining to the Kolkata Undertaking;
- (c) all debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, pertaining to the Kolkata Undertaking;
- (d) all permits, quotas, rights, entitlements, licenses, approvals, consents, tenancies, office and depots, trademarks, copyrights, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, easements, powers and facilities of every kind and description whatsoever appertaining to the Kolkata Undertaking;
- (e) cash in bank of Rs. 327.58 Crores and all earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to the Kolkata Undertaking.

Joint Registrar (Co.)

For Registrar General

Dated this the 13th January, 2010

(By order of the Court)

* Previously known as "Aria Consultancy Services India Private Limited"