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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,  
PRINCIPAL BENCH AT NEW DELHI

COMPANY PETITION NO. (CAA) 256 (PB) 2017

CONNECTED WITH

COMPANY APPLICATION (CAA) 101 (PB) 2017

Judgement dated 22.12.2017

Coram:

CHIEF JUSTICE (Rtd.) M.M. KUMAR

Hon'ble President

&

MS. DEEPA KRISHAN

Hon'ble Member (T)



In the matter of:

Sections 230 and 232 and other applicable sections and provisions of the  
Companies Act, 2013 read Companies (Compromises, Arrangements, and  
Amalgamations) Rules, 2016

AND



**IN THE MATTER OF SCHEME OF AMALGAMATION**

**AMONGST**

**In the matter of:**

Sections 230-232 and other applicable provisions of the Companies Act, 2013  
read with Companies (Compromises, Arrangements, and Amalgamations) Rules,  
2016.

**AND**

**IN THE MATTER OF SCHEME OF AMALGAMATION**

**AMONGST**

**ASTER HOTELS AND RESORTS PRIVATE LIMITED**

(PETITIONER COMPANY NO. 1/ TRANSFEROR COMPANY NO.1)

**AND**

**PRN MANAGEMENT SERVICES PRIVATE LIMITED**

(PETITIONER COMPANY NO.2/TRANSFEROR COMPANY NO.2)

**AND**



**HEADSTART INSTITUTE PRIVATE LIMITED**

(PETITIONER COMPANY NO.3/TRANSFEROR COMPANY NO. 3)

**WITH**

**LEMON TREE HOTELS LIMITED**

(PETITIONER COMPANY NO. 4/ TRANSFEREE COMPANY)

**AND**

**Their respective Shareholders and Creditors**

**MEMO OF PARTIES**

**ASTER HOTELS AND RESORTS PRIVATE LIMITED**

Company registered under the Companies Act, 1956

Having Registered Office at:

B-6/17 Safdarjung Enclave,

New Delhi- 110029

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

**PRN MANAGEMENT SERVICES PRIVATE LIMITED**

Company registered under the Companies Act, 1956

Having Registered Office at:

B-6/17 Safdarjung Enclave,



New Delhi- 110029

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

**HEADSTART INSTITUTE PRIVATE LIMITED**

Company registered under the Companies Act, 1956

Having Registered Office at:

B-6/17 Safdarjung Enclave,

New Delhi- 110029

..... Petitioner Company No. 3/ Transferor Company No. 3

**LEMON TREE HOTELS LIMITED**

Company registered under the Companies Act, 1956

Having Registered Office at:

Asset no. 6, Aerocity Hospitality District,

New Delhi-110037

..... Petitioner Company No. 4/ Transferee Company

**For the Petitioners: Palash Agarwal & Saurabh Kalia, Advocates**



**ORDER**

**M.M. KUMAR, PRESIDENT**

1. This Petition filed by the Petitioner Companies above named is coming up for final disposal before us for the purpose of the approval of the Scheme of Amalgamation of Transferor Company/ Petitioner Company No. 1 to Transferor company/ Petitioner Company No. 3 with the Transferee Company/ Petitioner Company No. 4.
  
2. A perusal of the petition discloses that initially the application seeking the directions for dispensing with the meetings of Shareholders, Secured and Unsecured Creditors of the Petitioner Companies were filed before the us in Company Application (CAA) 101 (PB) 2016. National Company Law Tribunal, Principal Bench, New Delhi vide its order dated 05.09.2017 has dispensed with the convening of meetings of the Shareholders based on the consent provided by the Equity Shareholders of the Petitioner Companies. Further, convening of meetings of Secured Creditors and Unsecured Creditors have also been dispensed with, due to either consents having been provided or on the grounds of their non-existence which obviously does not necessitate convening of a meeting. Further, vide order dated 13.09.2017, the Petitioners were required to state if notices were required to be sent to any sectoral regulators as may be applicable to the respective



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companies. The Petitioners have filed an additional affidavit dated 21.09.2017 stating that all the Petitioner Companies have no sectoral regulators or authorities hence, no notice is required to be issued to them.

3. Subsequent to the above order dated 05.09.2017, the Petitioner Companies had preferred the instant Petition before us in which vide order dated 27.09.2017 we had directed the Petitioner Companies to issue Notice in the Second Motion petition to the Regional Director, Northern Region, Ministry of Corporate Affairs, Registrar of Companies, the Income Tax Department and the Official Liquidator. The Petitioner Companies were also directed vide said order to carry out publication in English Daily 'Indian Express' and Hindi Daily 'Jansatta'. An affidavit has been filed by the Petitioner Companies confirming that notices were duly published in the English Daily 'Indian Express' and Hindi Daily 'Jansatta' on 17.10.2017.

4. Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, after receiving the report from the Registrar of Companies has filed his report dated 07.11.2017. The Regional Director hasn't observed anything adverse in his report. He has also stated in the report that even the RoC has recorded no adverse comments to the Scheme.





5. The Income Tax Department in its letter dated 17.11.2017 with respect to Petitioner company No. 2 has given no objection to the Scheme of Amalgamation. The Income Tax Department, in respect of Petitioner company No. 4 has not made any objections but has observed that the interest of revenue w.r.t income tax demand of the transferor company shall be paid by the transferor company before the merger or paid by the transferee company after the amalgamation. In this respect, the Petitioners have replied filing an affidavit dated 21.11.2017 wherein they have pointed out that clause 2(m) Part II of the scheme itself states that any tax liabilities of the Transferor companies under the income tax act 1961 or other applicable laws shall be transferred to transferee company and therefore any demand raised by the Income Tax Department with respect to transferor companies shall be paid by Transferee Company and the Transferee Company has undertaken to do so. Secondly, it has been observed by the Income Tax Department that must be permitted to retain its recourse for recovery in respect of any existing or future tax liabilities of the transferor companies or the transferee company, in respect of the assets sought to be transferred under the proposed Scheme. In this respect, it has specifically been stated by the Petitioner that Clause 2 Part II of the Scheme itself states that any tax liabilities on the date immediately preceding the Appointed Date shall be transferred to the Transferee



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Company. It has also been observed that in no manner the approval of the scheme should affect tax treatment of the transactions under the Income Tax Act, 1961. With this respect, the Petitioners undertake the same and state that the approval of the scheme would not affect the tax treatment of the Transactions under the Income Tax Act or any other applicable tax statute.

6. The Official Liquidator has also filed its report dated 07.11.2017 wherein he has stated that the affairs of the aforesaid petitioner companies do not appear to have been conducted in a manner prejudicial to the interest of its members or to public interest as per the provisions of Companies Act 1956/ 2013.

7. In view of the foregoing, upon considering the approval accorded by the members and creditors of the Petitioner Company to the proposed Scheme and the affidavits filed by the Regional Director, Northern Region, Ministry of Corporate Affairs, Income Tax Department and the Official Liquidator whereby no objections have been raised to the proposed Scheme, there appears to be no reservation to grant sanction to the Scheme. However, the Companies shall remain bound by the undertaking filed by of them. Consequently, sanction is hereby granted to the Scheme under section 230 to 232 of the Companies Act, 2013. The Petitioner shall





however remain bound to comply with the statutory requirements in accordance with law.

8. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this court to the scheme will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of the petitioners.
9. While approving the Scheme as above, we further clarify that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes, GST or other charges, if any, and payment in accordance with law or in respect to any permission/ compliance with any other requirement which may be specifically required under any law.

10. THIS TRIBUNAL DO FURTHER ORDER:

That in terms of the Scheme:

- a) That all the property, rights and powers of the Transferor Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 232 of Act, be transferred to and vested in the Transferee Company for all intents and interest of

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the Transferor Companies therein but subject nevertheless to all charges now affecting the same; and

- b) That all the liabilities of the Transferor Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and become the liabilities and duties of the Transferee Company; and
- c) That all proceedings now pending by or against the Transferor Companies be continued by or against the Transferee Company; and
- d) That Petitioner Companies shall within thirty days of the date of the receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration and the Transferor Company on such certified copy being so delivered shall deemed to be dissolved. The Registrar of Companies shall place all documents relating to the Transferor Companies and registered with him on file kept by him in relation to the Transferee Company and files relating to the Petitioner Companies shall be consolidated accordingly;
- e) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

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The petition stands disposed of in the above terms.

Sd-  
(M.M. KUMAR)

PRESIDENT

Sd-  
(DEEPA KRISHAN)

MEMBER (TECHNICAL)

22.12.2017

(VS)

*27.12.2017*  
Registrar  
National Company Law Tribunal  
New Delhi



FREE OF COST COPY

**SCHEME OF AMALGAMATION**  
**OF**  
**ASTER HOTELS & RESORTS PRIVATE LIMITED**  
**(Transferor Company No. 1)**  
**AND**  
**PRN MANAGEMENT SERVICES PRIVATE LIMITED**  
**(Transferor Company No. 2)**  
**AND**  
**HEADSTART INSTITUTE PRIVATE LIMITED**  
**(Transferor Company No. 3)**  
**WITH**  
**LEMON TREE HOTELS LIMITED**  
**(Transferee Company)**  
**AND**  
**THEIR RESPECTIVE CREDITORS AND SHAREHOLDERS**  
**UNDER**

**SECTIONS 230-232 AND ANY OTHER APPLICABLE  
PROVISIONS, IF ANY, OF THE COMPANIES ACT, 2013**

**PREAMBLE**

- (A) BACKGROUND AND DESCRIPTION OF COMPANIES**
1. **ASTER HOTELS & RESORTS PRIVATE LIMITED** (hereinafter referred to as "the Transferor Company No. 1") is a Company incorporated under the provisions of the Companies Act, 1956 on December 18, 2008 vide CIN U55101DL2008PTC185932 under the name and style of "Aster Hotels & Resorts Private Limited". At



For Aster Hotels & Resorts Pvt. Ltd.  
*[Signature]*  
Authorized Signatory

For PRN Management Services Pvt. Ltd.  
*[Signature]*  
Authorized Signatory

For Headstart Institute Pvt. Ltd.  
*[Signature]*  
Authorized Signatory

For LEMON TREE HOTELS LIMITED  
*[Signature]*  
Authorized Signatory

present, the registered office of the Company is situated at B-6/17, Safdarjung Enclave Delhi-110029. As per Memorandum of Association of Transferor Company No.1, one of the main objects of the Transferor Company No. 1 is to carry on the business of hotel, motel, resorts, restaurant, cafe, catering boarding home, fast foods, refreshment rooms, clubs, discotheques, baths, dressing rooms, laundries, reading, writing rooms, shopping centres, places of amusement, recreation, convention, exhibitions, swimming pools, and to make investment, enter into joint venture for all or any of the aforementioned activities and undertake all kinds of related services and activities.

## 2. PRN MANAGEMENT SERVICES PRIVATE LIMITED

(hereinafter referred to as "the Transferor Company No. 2") is a Company incorporated under the provisions of the Companies Act, 1956 on November 11, 2008 vide CIN U70101DL2008PTC184833 under the name and style of "PRN Management Services Private Limited". At present, the Transferor Company No. 2 is having its registered office at B-6/17, Safdarjung Enclave Delhi-110029. As per Memorandum of Association of Transferor Company No. 2, main objects of the Transferor Company No. 2 are to carry on the business of all types of management services.



For PRN Management Services Pvt. Ltd.

*[Signature]*  
Authorized Signatory

For Headstart Institute Pvt. Ltd.

*[Signature]*  
Authorized Signatory

For LEMON TREE HOTELS LIMITED

*[Signature]*  
Authorized Signatory

3. **HEADSTART INSTITUTE PRIVATE LIMITED** (hereinafter referred to as "the Transferor Company No. 3") is a Company incorporated under the provisions of the Companies Act, 1956 on July 22, 2011 vide CIN U80904DL2011PTC222680 under the name and style of "Headstart Institute Private Limited". At present, the Transferor Company No. 3 is having its registered office at B-6/17, Safdarjung Enclave Delhi-110029. As per Memorandum of Association of Transferor Company No. 3, one of the main objects of the Transferor Company No. 3 is to establish, setup, and run in any part of India institutes, study centers, training centers wherein vocational, technical education in every field of science, commerce, arts, management, engineering, law, banking, insurance, finance, medicine, hospitality, tourism, computers or any other type of education be imparted through regular, part time, weekend or distance learning, V-SAT or any other web enabled technology (subject to such approval/license or permission, if any, required from Central Government or State Governments or All India Council of Technical Education Institutes, National Skill Development Corporation or such other statutory bodies respectively) leading to employment in the respective field of knowledge or skill.

The Transferor Company No. 1, the Transferor Company No. 2 and the Transferor Company No. 3 hereinafter are collectively referred to as the "Transferor Companies".



For MHI Management Services Pvt. Ltd.

Authorised Signatory

For Headstart Institute Pvt. Ltd.

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For LEMON TREE HOTELS LIMITED

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4. **LEMON TREE HOTELS LIMITED** (hereinafter referred to as "the Transferee Company") was incorporated under the provisions of the Companies Act, 1956 on June 2, 1992 vide CIN U74899DL1992PLC049022 as Private Limited Company under the name and style of "P.M.G. Hotels Private Limited" with the Registrar of Companies, NCT of Delhi and Haryana. Name of the Company was changed to "Krizm Hotels Private Limited" and in this regard, fresh certificate of incorporation was issued by Registrar of Companies, NCT of Delhi and Haryana on January 7, 2003. Name of the Company was further changed to "Lemon Tree Hotels Private Limited" and in this regard, fresh certificate of incorporation was issued by Registrar of Companies, NCT of Delhi and Haryana on June 10, 2010. Thereafter, name of the company was changed to its present name i.e. "Lemon Tree Hotels Limited" and in this regard, fresh certificate of incorporation was issued by Registrar of Companies, NCT of Delhi and Haryana on October 22, 2012 and the Transferee Company is presently having its registered office at Asset No. 6, Aerocity Hospitality, New Delhi-110037. As per Memorandum of Association of Transferee Company, one of the main objects of the Transferee Company is to carry on the business of hotel, motel, resorts, time sharing holiday resorts, restaurant, cafe, catering boarding home, fast foods, industrial feeding canteens, tavern, bars, refreshment, housekeepers, clubs, cabarets, discotheques, baths, dressing rooms, laundries, reading, writing and newspaper rooms, shopping centers,

For Aster Hotels and Resorts Pvt. Ltd.

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For TCS Management Services Pvt. Ltd.

Authorized Signatory

For Handstart Institute Pvt. Ltd.

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For LEMON TREE HOTELS LIMITED

Authorized Signatory



grounds, places of amusement, recreation, convention, exhibitions, symposiums, swimming pools, bakery confectionery, entertainment shows, hairdressers and perfumers.

5. The Transferor Companies and Transferee Company are not listed on any stock exchange in India or outside India.
6. The Transferor Companies and the Transferee Company are companies of the same group as the majority of shares of the Transferor Companies are held by the promoters of the Transferee Company.

**(B) OBJECTS AND RATIONALE FOR THE PROPOSED SCHEME:**

It is proposed to consolidate the operations/business of the Transferor Companies and the Transferee Company into a single company by amalgamation of the Transferor Companies with the Transferee Company pursuant to a Scheme of Amalgamation under Sections 230-232 and other applicable provisions, if any, of the Companies Act, 2013. The amalgamation of the Transferor Companies with the Transferee Company would result, inter alia, in the following benefits:-

- a. Simplify the shareholding structure of the group.

For Aster Hotels and Resorts Pvt. Ltd.

*[Signature]*  
Authorized Signatory



*[Signature]*  
Authorized Signatory

For Headstart Institute Pvt. Ltd.

*[Signature]*  
Authorized Signatory

For LEMON TREE HOTELS LIMITED

*[Signature]*  
Authorized Signatory



- b. Consolidation and simplification of the group structure, cost savings resulting from rationalization, standardization and simplification of business processes.
- c. Improved organizational capability arising from pooling of financial resources.
- d. Re-aligning the business operations as part of overall business reorganization plan.
- e. Avoiding un-necessary duplication of costs of administration, distribution, selling and marketing.
- f. Maximize the overall shareholders value by strengthening its core competencies.

**(C) PARTS OF THE SCHEME:**

This Scheme is divided into the following parts:

1. **PART I** – This part deals with the Definitions and Share Capital;
2. **PART II** – This part provides for amalgamation of **Aster Hotels & Resorts Private Limited** (Transferor Company No.1), **PRN Management Services Private Limited** (Transferor Company No. 2), **HeadStart Institute Private Limited** (Transferor Company No. 3) with **Lemon Tree Hotels Limited** (Transferee Company).
3. **PART III** – This part deals with General Terms and Conditions applicable to this Scheme.



For Aster Hotels and Resorts Pvt. Ltd.

*[Signature]*

For Headstart Institute Pvt. Ltd.

*[Signature]*

For LEMON TREE HOTELS LIMITED

*[Signature]*  
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- (D) The amalgamation of Transferor Company No. 1, Transferor Company No. 2 and Transferor Company No. 3 with the Transferee Company, pursuant to and in accordance with the Scheme, shall be operational with effect from the Appointed Date and shall be in compliance with the relevant provisions of the Income Tax Act, 1961.

## PART I

### DEFINITIONS

#### 1.1 DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as under:

- a) "The Act" means the Companies Act, 2013 or any statutory amendment and/or re-enactment thereof, from time to time and for the time being in force.
- b) "The Appointed Date" means April 1, 2017 or such other date as may be directed by the Hon'ble National Company Law Tribunal.
- c) "Board of Directors" or "Board" in relation to the Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 and the Transferee Company, as the case may be, shall unless it is repugnant to the context or otherwise, include the committee of

For Aster Hotels and Resorts Pvt. Ltd.  
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For Handstar Institute Pvt. Ltd.  
Authorized Signatory

For Handstar Institute Pvt. Ltd.  
Authorized Signatory

For LEMON TREE HOTELS LIMITED  
Authorized Signatory

directors or any person authorized by the Board of Directors or such committee of directors.

- d) **"The Effective Date"** in relation to the scheme, means last of the dates on which the copy of the order sanctioning the Scheme of Amalgamation are filed by the Transferor Companies and Transferee Company with the Registrar of Companies, NCT of Delhi and Haryana. Any references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.
- e) **"This Scheme" or "the Scheme" or "Scheme of Amalgamation"** means the present Scheme of Amalgamation framed under the provisions of Sections 230-232 and other applicable provisions, if any, of the Act as approved by the respective Board of Directors of the Transferor Companies and the Transferee Company as submitted in the present form or with any modification(s) approved or imposed or directed by Members/ Creditors of the respective Transferor Companies and Transferee Company and/or by the Hon'ble National Company Law Tribunal at New Delhi and/ or by any competent authority.

For Aster Hotels and Resorts Pvt. Ltd.

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**"The Transferor Company No. 1"** means Aster Hotels & Resorts Private Limited, is as defined in Preamble Clause (A) 1 above.

For Aster Hotels and Resorts Pvt. Ltd.

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For Hindustan Institute Pvt. Ltd.

Authorized Signatory

For LEMON TREE HOTELS LIMITED

Authorized Signatory

- g) "The Transferor Company No. 2" means PRN Management Services Private Limited, is as defined in Preamble Clause (A) 2 above.
- h) "The Transferor Company No. 3" means HeadStart Institute Private Limited, is as defined in Preamble Clause (A) 3 above.
- i) "The Transferee Company" means Lemon Tree Hotels Limited, is as defined in Preamble Clause (A) 4 above.
- j) "Law" or "Applicable Law" includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, Tribunal, Court of India or any other country or jurisdiction as applicable.
- k) "National Company Law Tribunal" (NCLT) means the Hon'ble National Company Law Tribunal at New Delhi having jurisdiction in relation to the Transferor Companies and Transferee Company.

"ROC" or "Registrar of Companies" means the Registrar of Companies, NCT of Delhi and Haryana.



For HeadStart Institute Pvt. Ltd.  
Authorized Signatory

For LEMON TREE HOTELS LIMITED  
Authorized Signatory

m) "The Transferor Companies" means Transferor Company No. 1, Transferor Company No. 2 and Transferor Company No. 3.

n) "Undertaking" in relation to the Transferor Companies, shall mean the entire business of Transferor Company No. 1, Transferor Company No. 2 and Transferor Company No. 3 on a going concern basis as on appointed date.

o) "IT Act" means the Income Tax Act, 1961, as amended.

All terms and words which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other applicable law (as defined above), rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

In this Scheme, where the context so requires, words importing the singular number shall include the plural number.



For Aster Hotels and Resorts Pvt. Ltd.  
Authorized Signatory

## 1.2 SHARE CAPITAL

### a. ASTER HOTELS & RESORTS PRIVATE LIMITED:- TRANSFEROR COMPANY NO. 1

As per Annual Accounts as on 31 <sup>st</sup> March, 2017	
Particulars	Amount (in Rs.)
Authorised Share Capital	60,00,000

For Aster Hotels and Resorts Pvt. Ltd.

Authorized Signatory

For Headstart Institute Pvt. Ltd.

Authorized Signatory

For LEMON TREE HOTELS LIMITED

Authorized Signatory

60,00,000 equity shares of Rs. 1 each	
<b>Issued, Subscribed and Paid-up Share Capital</b>	
56,71,759 equity shares of Rs. 1 each	56,71,759

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company No.1 is same as above on the date of Board meeting (i.e. 15<sup>th</sup> June, 2017) sanctioning the Scheme.

b. **PRN MANAGEMENT SERVICES PRIVATE LIMITED:-  
TRANSFEROR COMPANY NO. 2**

As per Annual Accounts as on 31 <sup>st</sup> March, 2017	
Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	60,00,000
60,00,000 equity shares of Rs. 1 each	
<b>Issued, Subscribed and Paid-up Share Capital</b>	
20,24,491 equity shares of Rs. 1 each	20,24,491

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company No.2 has been changed after 31<sup>st</sup> March, 2017 by way of issuance and allotment of shares to one of the existing shareholders. The revised capital structure as on the date of Board meeting (i.e. 15<sup>th</sup> June, 2017) sanctioning the scheme is as follows:



For PRN Management Services Pvt. Ltd.

*[Signature]*

For Headstart Institute Pvt. Ltd.

*[Signature]*  
Authorized Signatory

For LEMON TREE HOTELS LIMITED

*[Signature]*  
Authorized Signatory

Capital Structure as on 15 <sup>th</sup> June, 2017	
Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b> 60,00,000 equity shares of Rs. 1 each	60,00,000
<b>Issued, Subscribed and Paid-up Share Capital</b> 24,72,000 equity shares of Rs. 1 each	24,72,000

c. **HEADSTART INSTITUTE PRIVATE LIMITED:-**  
**TRANSFEROR COMPANY NO. 3**

As per Annual Accounts as on 31 <sup>st</sup> March, 2017	
Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b> 1,69,00,000 equity shares of Rs. 1 each	1,69,00,000
<b>Issued, Subscribed and Paid-up Share Capital</b> 1,60,16,000 equity shares of Rs. 1 each	1,60,16,000

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company No.2 is same as above on the date of Board meeting (i.e. 15<sup>th</sup> June, 2017) sanctioning the scheme.



For Lemon Tree Hotels and Resorts Pvt. Ltd.  
Authorized Signatory

For Lemon Tree Hotels and Resorts Pvt. Ltd.  
Authorized Signatory

For Headstart Institute Pvt. Ltd.  
Authorized Signatory

For LEMON TREE HOTELS LIMITED  
Authorized Signatory



d. LEMON TREE HOTELS LIMITED:- TRANSFEREE COMPANY

As per Audited Annual Accounts as on 31 <sup>st</sup> March, 2017	
Particulars	Amount (in Rs.)
<b>Authorised Share Capital</b>	
99,85,50,000 equity shares of Rs. 10 each;	9,98,55,00,000
1,45,000 5% redeemable cumulative preference shares of Rs. 100 each;	1,45,00,000
<b>Total Authorised Share Capital</b>	<b>10,00,00,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
78,12,74,065 equity shares of Rs. 10 each	7,81,27,40,650
*Less: Shares held by ESOP Trust	
61,032 equity shares of Rs. 10 each	6,10,320
<b>Total Share Capital as per Balance Sheet</b>	
78,12,13,033 equity shares of Rs. 10 each	7,81,21,30,330

\* Equity shares held by ESOP trust has been consolidated in accordance with the requirement of IND AS 102.

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferee Company is same as above on the date of Board meeting (i.e. 15<sup>th</sup> June, 2017) sanctioning the scheme.



For Madhant Institute Pvt. Ltd.

For Madhant Institute Pvt. Ltd.

For LEMON TREE HOTELS LIMITED  
  
 Authorised Signatory



## PART II

### 2. TRANSFER AND VESTING OF UNDERTAKINGS

- a. Upon this Scheme becoming effective and with effect from the Appointed Date i.e. 1<sup>st</sup> April, 2017, all properties, assets, liabilities, reserve & surplus including Securities Premium Account and Undertaking(s) of the Transferor Companies shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company pursuant to the sanction of this Scheme by the NCLT and pursuant to the applicable provisions of the Act and also in accordance with section 2(1B) of the Income-Tax Act, 1961, as a going concern, without any further act, instrument, deed, matter or thing to be made, done or executed.

- b. With effect from the commencement of business on the Appointed Date and subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, entire undertaking, business and all properties whether moveable or immovable or tangible or intangible wherever situated and also all other assets, capital, work-in-progress, current assets, movable assets, all investments in India or out of India, if any, powers, authorities, allotments, approvals and consents, licenses, registrations, contracts, engagements, arrangement, rights, intellectual property rights, titles, interests, benefits and advantages of



For (NCLT) Management Services Pvt. Ltd.

For (NCLT) Institute Pvt. Ltd.

For LEMON TREE HOTELS LIMITED

*[Signature]*

*[Signature]*

*[Signature]*

Authorised Signatory

whatsoever nature belonging to or in the ownership, power, possession, control of or vested in or granted in favour of or enjoyed by the Transferor Companies, including but without being limited to, all licenses, liberties, easements, advantages, benefits, privileges, leases, tenancy rights, ownership, intellectual property rights including trademarks, brands, copy rights, patents, quota rights, subsidies, capital subsidies, concessions, exemptions, sales tax exemptions, approvals, clearances, environmental clearances, authorizations, certification, quality certification, utilities, electricity connections, electronics and computer link ups, services of all types, reserves, provisions, funds, benefit of all agreements and all other interests arising to the Transferor Companies (hereinafter collectively referred to as "the said assets") shall, without any further act, instrument or deed and without payment of any duty or other charges, be transferred to and vested in the Transferee Company as a going concern pursuant to the applicable provisions of the Act, for all the estate, right, title and interest of the Transferor Companies therein so as to become the property of the Transferee Company.

- c. Notwithstanding what is provided herein above, it is expressly provided that in respect to such of the said assets as are movable in nature or are otherwise capable of being transferred by physical delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies to the Transferee Company



For PCN Directorate of Services Pvt. Ltd.

*[Signature]*

For Registrar Institute Pvt.

*[Signature]*

For LEMON TREE HOTELS LIMITED

*[Signature]*  
Authorized Signatory

after the Scheme is duly sanctioned and given effect to without requiring any further order of the NCLT or any deed or instrument of conveyance for the same or without the payment of any duty or other charges and shall become the property of the Transferee Company accordingly.

- d. With effect from the Appointed Date, all liabilities, provisions, duties and obligations including Income Tax and other statutory liabilities, if any, of every kind, nature and description of the Transferor Companies whether provided for or not in the books of accounts of the Transferor Companies shall devolve and shall stand transferred or be deemed to be transferred without any further act or deed, to the Transferee Company with effect from the Appointed Date and shall be the liabilities, provisions, duties and obligations of the Transferee Company.

- e. The assets/undertaking of the Transferor Companies, if any, acquired by the Transferor Companies after the Appointed Date but prior to the Effective Date, shall also without any further act, instrument or deed stand transferred to or be deemed to have been transferred to the Transferee Company upon the Scheme coming into effect.

For avoidance of doubt, upon the Scheme coming into effect, all the rights, title, interest and claims of the Transferor Companies in any leasehold properties, if any, including all the leases, of the Transferor



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Companies shall without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and it shall be presumed that the same were executed by the Transferee Company.

g. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Scheme coming into effect, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favor of the Transferor Companies shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favor of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to competent Government Authority as may be necessary in this behalf.

h. To the extent there are inter-corporate loans, liabilities, duties, debts and claims (including receivables), if any, due or which may hereafter become due, between the Transferor Companies and the Transferee Company or vice versa, the obligations in respect thereof shall come to an end on the Scheme coming into effect and a corresponding suitable effect shall be given in the books of accounts and records of the



For Lemon Tree Hotels Pvt. Ltd.

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Transferee Company and if required, the reduction/cancellation of such loans, debts and claims (including receivables) shall be reflected in the books of accounts and records of the Transferee Company. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of such loans, liabilities, duties, debts and claims (including receivables), due or which may hereafter become due, between the Transferee Company on the one hand and the Transferor Companies on the other hand.

- i. With effect from the Appointed Date and subject to the provisions of this Scheme, all debts, liabilities, guarantees, indemnities, contingent liabilities, duties and obligations of every kind, nature, description, whether or not provided for in the books of accounts and whether disclosed or undisclosed in the financial statements of the Transferor Companies shall also stand transferred or deemed to have been transferred without any further act, instrument or deed to the Transferee Company, pursuant to the applicable provisions of the Act, so as to become as and from the Appointed Date, the debts, liabilities, guarantees, indemnities, contingent liabilities, duties and obligations of the Transferee Company without any consent of any third party or other person who is a party to the contract or arrangements by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.



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For Goodstart Institute Pvt. Ltd.

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- j. The transfer and vesting of the Undertaking shall be subject to the existing securities, mortgages, charges, hypothecation, encumbrances or liens, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Companies.
- k. Any loans, advances and other facilities sanctioned to the Transferor Companies by their bankers and financial institutions from the Appointed Date till the Effective Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn and utilized either partly or fully by the Transferor Companies and all the loans, advances and other facilities so drawn by the Transferor Companies (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to the Transferee Company and all the obligations of the Transferor Companies under any loan agreement shall be construed and shall become the obligation of the Transferee Company without any further act or deed on the part of the Transferee Company.

For PMA Management Services Pvt. Ltd.



Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise their respective financial statements and returns along with prescribed forms, filings and annexure under the

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relevant labour laws, Income Tax, sales tax including value added tax, service tax and other tax laws, and to claim refunds and / or credits for dues and / or taxes paid, if any, as may be required consequent to implementation of this Scheme.

All tax assessment proceedings/appeals of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, such tax proceedings/appeals shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies, as the case maybe. These proceedings/appeals shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme.

- m. Any tax liabilities under the Income Tax Act, 1961 or other applicable laws or regulations dealing with taxes (whether in the form of duties, cesses, fees, levies or by whatever name called) allocable or related to the business of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the

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Transferee Company. Any surplus in the provision for such taxes (including advance tax and tax deducted at source) as on the date immediately preceding the Appointed Date shall also be transferred to the account of the Transferee Company.

- n. Any refund under the Income Tax Act, 1961 or other applicable laws or regulations dealing with taxes allocable or related to the business of the Transferor Companies and due to the Transferor Companies consequent to the assessment made on the Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- o. All taxes including income tax, minimum alternate tax, service tax, sales tax paid or payable by the Transferor Companies on or before the Appointed Date shall be on account of the Transferor Companies, and in so far as it relates to the payment of taxes after the Appointed Date, such taxes shall be deemed to be the corresponding tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

All taxes, benefits of any nature, duties, cesses or any other like payments or deductions available to Transferor Companies under Income Tax, Sales tax, Service tax etc. or any tax deduction /



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collection at source, tax credits, benefits of CENVAT credits, benefits of input credits relating to the period after the Appointed Date up to the Effective date shall be deemed to have been on account of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the orders on this Scheme by the NCLT upon relevant proof and documents being provided to NCLT. The benefit of all taxes paid including minimum alternate tax under Income Tax Act, carry forward as well as set-off thereof shall be available to the Transferee Company as would have been available to the Transferor Companies upon the sanction of the scheme by the NCLT.

### 3. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- a. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature (including all tenancies, leases, licenses and other assurances in favour of any of the Transferor Companies or powers or authorities granted by or to any of the Transferor Companies), to which any of the Transferor Companies is the party, subsisting or having effect immediately before or after the Effective date, shall remain in full force and effect against or in favor of the Transferee Company and may be enforced as fully and effectually, as if the Transferee Company had been a party thereto.



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b. The transfer of the said assets and liabilities of the Transferor Companies to the Transferee Company and the continuance of all the contracts or legal proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the liabilities already concluded by any of the Transferor Companies on or after the Appointed Date.

c. The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favor of the secured creditors of the Transferor Companies or in favor of any other party to any contract or arrangement to which any of the Transferor Companies is the party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of this Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to implement and carry out all such formalities or compliance referred to above on the part/benefit of the Transferor Companies to be carried out or performed.

d. Any inter se contracts between the Transferor Companies and the Transferee Company shall stand adjusted and vest in the Transferee Company upon the sanction of the Scheme and upon the Scheme becoming effective. Transaction(s), if any, between the Transferor

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Management Services Pvt. Ltd.

For Leadstart Institute P. A. Ltd.

For LEMON TREE HOTELS LIMITED.

*[Signature]*

*[Signature]*

*[Signature]*  
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Companies and Transferee Company after the appointed date and until the effective date will be squared off in the books of accounts of the Transferee Company upon the Scheme becoming effective.

#### 4. LEGAL PROCEEDINGS

All legal proceedings of whatever nature by or against the Transferor Companies pending on the Effective Date, shall not be abated or discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Transferor Companies or of anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made.

#### 5. OPERATIVE/EFFECTIVE DATE OF THE SCHEME

This Scheme, though operative from the Appointed Date, shall be effective from the last of the dates on which certified copy of order of Hon'ble NCLT under Section 232 of the Act are filed with the office of the Registrar of Companies, NCT of Delhi and Haryana.

#### DISSOLUTION OF TRANSFEROR COMPANIES

On this Scheme, becoming effective as provided in Clause 5 above, the Transferor Companies shall stand dissolved without winding up.

For Aster Hotels and Resorts Pvt. Ltd.

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For Preet Singh & Associates Pvt. Ltd.

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For Mediant Institute Pvt. Ltd.

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For LEMON TREE HOTELS LIMITED

*[Signature]*  
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7. **STAFF, WORKMEN AND EMPLOYEES OF TRANSFEROR COMPANIES**

- a. All the employees of the Transferor Companies in service, if any, on the date immediately preceding the date on which the Scheme takes effect, i.e., the Effective Date, shall become the employees of the Transferee Company on such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Companies on the said date.
- b. Provident Fund, Gratuity Fund, Superannuation Fund and any other special fund or trusts created or existing for the benefit of the employees of the Transferor Companies, if any, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Companies for all purposes and intents, whatsoever, relating to the administration or operation of such schemes or funds or in relation to the obligation to make contributions to the said funds in accordance with the provisions of such funds. It is the intent that all the rights, duties, powers and obligations of the Transferor Companies in relation to such funds shall become those of the Transferee Company. It is clarified that the services of the employees of the

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Transferor Companies will be treated as having been continued for the purpose of the aforesaid funds or provisions.

- c. With effect from the date of filing of this Scheme with the Hon'ble NCLT and till the Effective Date, the Transferor Companies shall not vary or modify the terms and conditions of employment of any of their respective employees, except with the written consent of the Transferee Company.

## 8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANIES AND TRANSFEE COMPANY

8.1 From the Appointed Date until the Effective Date, the Transferor Companies-

- a. Shall possess of all its assets and properties referred to in Clause 2 above, in trust for the Transferee Company.
- b. Shall be deemed to have carried on business and activities for and on behalf of and for the benefit and on account of the Transferee Company. Any income or profit accruing to the Transferor Companies and all costs, charges and expenses or loss arising or incurring by the Transferor Companies on and from the Appointed Date shall, for all



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purposes and intents, be treated as the income, profits, costs, charges, expenses or loss, as the case may be, of the Transferee Company.

8.2 Till such times, the names of the Bank accounts of the Transferor Companies would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the banks accounts of the Transferor Companies in the name of the Transferor Companies in so far as may be necessary.

8.3 Notwithstanding anything contained in sub-clause '8.1' and '8.2' above, the Transferor Companies as well as the Transferee Company shall be free to conduct their respective businesses.

## 9. CONSIDERATION

9.1 Pursuant to the Scheme becoming effective and upon the entire business and the whole of the undertaking of the Transferor Companies being transferred to and vested in the Transferee Company and the Transferee Company shall without any further application or deed, issue and allot equity shares to the shareholders of the Transferor Companies, whose name appear in the Register of Members of the Transferor Companies as on the Effective Date in the following manner:



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For Leadstart Institute Pvt. Ltd.

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"6 (Six) fully paid up Equity Share in the Transferee Company of Rs. 10 (Rupees Ten only) each for every 1 (One) fully paid up equity shares of Rs. 1 (Rupees One only) each in the Transferor Company No. 1"

"6114 (Six thousand One Hundred and Fourteen) fully paid up Equity Share in the Transferee Company of Rs. 10 (Rupees Ten only) each for every 1000 (One thousand) fully paid up equity shares of Rs. 1 (Rupees one only) each in the Transferor Company No. 2"


"460 (Four Hundred Sixty) fully paid up Equity Share in the Transferee Company of Rs. 10 (Rupees Ten only) each for every 1000 (One Thousand) fully paid up equity shares of Rs. 1 (Rupees one only) each in the Transferor Company No. 3"

Subject to the condition that the shares held by the Transferor Companies in the Transferee Company shall be deemed to be cancelled without any further application, act, instrument or deed for cancellation thereof by the Transferee Company.

9.2 Any fraction of shares arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.

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9.3 The shares to be issued in terms of Para 9.1 above shall be subject to the provisions of Memorandum and Articles of Association of the Transferee Company. The new Equity Shares shall rank *pari-passu* in all respects, including dividend, with the existing Equity Shares of the Transferee Company.

**10. UPON THIS SCHEME BECOMING EFFECTIVE**

- a. Entire issued share capital of the Transferor Companies shall automatically stand cancelled.
- b. Share capital of the Transferee Company to the extent held by the Transferor Companies would be reduced and stand cancelled on approval of this Scheme by the Shareholders and/or Creditors of the Transferor Companies and the Transferee Company, as the case may be, and sanction by Hon'ble NCLT under Sections 230-232 of the Companies Act, 2013 shall be sufficient compliance with the provisions of Section 66 of the Companies Act, 2013 and other applicable provisions, if any, relating to the reduction of share capital of the Transferee Company and shares certificates representing such shares shall stand cancelled.



The Authorized Share Capital of the Transferor Company No. 1 i.e. 60,00,000 (Sixty Lakh) equity shares of Rs. 1/- (Rupee One only) each shall be re-classified into 6,00,000 (Six Lakh) equity shares of Rs 10/-

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(Rupees Ten only) each and the same will be clubbed into the Authorized Share Capital of the Transferee Company;

The Authorized Share Capital of the Transferor Company No. 2 i.e. 60,00,000 (Sixty Lakh) equity shares of Rs. 1/- (Rupee One only) each shall be re-classified into 6,00,000 (Six Lakh) equity shares of Rs 10/- (Rupees Ten only) each and the same will be clubbed into the Authorized Share Capital of the Transferee Company;

The Authorized Share Capital of the Transferor Company No. 3 i.e. 1,69,00,000 (One Crore Sixty Nine Lakh) equity shares of Rs. 1/- (Rupee One only) each shall be re-classified into 16,90,000 (Sixteen Lakh Ninety Thousand) equity shares of Rs 10/- (Rupees Ten only) each and the same will be clubbed into the Authorized Share Capital of the Transferee Company;

Accordingly, the Authorized Share Capital of the Applicant/Transferor Companies shall get merged to form new Authorized Share Capital of the Transferee Company and thereafter, the Authorised Share Capital of the Transferee Company shall stand increased to that extent without any further act, deed and without payment of any fees or charges to the Registrar of Companies and/or to any other government authority and the Memorandum of Association of the Transferee Company shall without any further act, instrument or deed be and stand altered,



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For TTV Management Services Pvt. Ltd.

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modified, reclassified and amended pursuant to the applicable provisions of the Act. Clause V of the Memorandum of Association of the Transferee Company shall read as under:

*"The Authorised Share Capital of the Company is Rs. 10,02,89,00,000/- (Rupees One Thousand Two Crore Eighty Nine lacs only) consisting of Rs. 10,01,44,00,000/- (Rupees One Thousand One Crore Forty Four Lacs only) divided into 1,00,14,40,000 (One hundred Crore Fourteen Lacs Forty Thousand Ninety Nine Crore Eighty Eight Lacs Thirty Nine Thousand) equity shares of Rs. 10/- (Rupees ten only) each and Rs. 1,45,00,000/- (Rupee One Crore Forty Five Lacs only) divided into 1,45,000 (one Lac Forty Five Thousand) 5% redeemable cumulative preference shares of Rs. 100 (Rupees Hundred only) each."*

- d. The Transferee Company shall increase /modify / reclassify its Authorised Share Capital for implementing the terms of this Scheme, to the extent necessary.
- e. On this Scheme becoming effective, the shareholders and Creditors, if any, of the Transferee Company and the Transferor Companies 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 and no separate resolution under the Act shall be required to pass.



For IFM Management Services Pvt. Ltd.

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For Headstart Institute Pvt. Ltd.

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## 11. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the Scheme becoming effective, the amalgamation will be accounted in accordance with applicable Indian Accounting Standard as notified under Section 133 of Companies Act, 2013, read together with Paragraph 3 of The Companies (Indian Accounting Standard) Rules, 2015 and the other accounting principles generally accepted in India.

## 12. VALIDITY OF EXISTING RESOLUTIONS, ETC.

- a. Upon the coming into effect of the Scheme, the resolutions of the Transferor Companies as are considered necessary by the Board of Directors of the Transferee Company which are validly subsisting be considered as resolutions of the Transferee Company.
- b. If any such resolutions have any monetary or other limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, imposed under the like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.



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**PART-III**

**13. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- a. The scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors, if any, of Transferee Company and Transferor Companies as may directed by NCLT;
- b. All approvals, sanctions or consents of any Governmental Authority as may be required by law in respect of this Scheme being obtained;
- c. The sanction of the NCLT under Sections 230-232 of the said Act in favor of Transferee Company and Transferor Companies under the said provisions and to the necessary Order sanctioning the Scheme being obtained; and
- d. Certified or authenticated copy of the Order of the NCLT sanctioning the Scheme being filed by each of the Transferor Companies and the Transferee Company with the Registrar of Companies, NCT of Delhi and Haryana.

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#### 14. APPLICATION TO NCLT

The Transferor Companies and the Transferee Company shall make application under Sections 230-232 of the Companies Act, 2013 and other applicable provisions, if any, of the Act to the NCLT for sanction of this Scheme and for the dissolution of the Transferor Companies without winding-up and other concerned matters.

#### 15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- a. The Transferor Companies and the Transferee Company through their respective Board of Directors may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme or to any conditions or limitations which the NCLT and/or any authorities under the law may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.



b. In order to give effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company may give and is authorized to give all such directions as may

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be necessary including directions for settling any question, doubt or difficulty whatsoever that may arise.

- c. In the event that any conditions are imposed by any NCLT and/or any other competent authority which the Transferor Companies and/or the Transferee Company find un-acceptable for any reason whatsoever, then the Transferor Companies and/or the Transferee Company shall be entitled to withdraw the Scheme.

#### 16. EFFECT OF NON - RECEIPT OF APPROVALS

In the event of this Scheme failing to take effect, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or employees or any other person. Each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

#### 17. COST CHARGES AND EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Companies and the Transferee Company incurred in relation to or in connection with this Scheme or incidental to the completion of the Amalgamation of the



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Transferor Companies with the Transferee Company in pursuance of this Scheme, shall be borne and may be paid by the Transferee Company. This includes, but not limited to, legal and professional fees paid to Company Secretaries, Chartered Accountants, Advocates and other professionals, fees paid on issue of shares, registration fees, stamp paper charges etc. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the amalgamation exercise or incidental thereto shall be borne proportionately by the Transferor Companies and Transferee Company.

#### 18. DIRECTORS OF THE TRANSFEROR COMPANIES

That the Directors of Transferor Companies shall cease to hold office as Directors thereof with effect from the Effective date of this scheme and consequently, the Board of Transferor Companies shall stand dissolved.

#### 19. INDEMNIFICATION

That if any liability including contingent liability not accounted for or provided in the financial statements of Transferor Companies, arising upto the effective date of this Merger shall be indemnified by the Promoters of the Transferor Companies to the Transferee Company.



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## 20. SEVERABILITY

If any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and the Transferee Company, affect the validity or implementation of the other parts/provisions of the scheme.

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