

# ASIAN HOTELS (EAST) LIMITED

Registered Office : Hyatt Regency Kolkata, JA-1, Sector III, Salt Lake City, Kolkata - 700 098, W.B., India

Phone : 033 2335 1234/2517 1012 Fax : 033 2335 8246/2335 1235 [www.ahleast.com](http://www.ahleast.com)

CIN: L15122WB2007PLC162762

20<sup>th</sup> July, 2019

<b>The Manager</b> <b>Listing Department</b> <b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers,</b> <b>Dalal Street, Mumbai- 400001</b> <b>Tel: (022 2272 8013)</b> <b>Fax: (022 2272 3121)</b>	<b>The Manager</b> <b>Listing Department</b> <b>National Stock Exchange of India Ltd.</b> <b>Exchange Plaza</b> <b>Plot No. C/1, G Block,</b> <b>Bandra – Kurla Complex</b> <b>Bandra (E), Mumbai – 400 051</b> <b>Tel: (022) 2659 8235/36</b> <b>Fax: (022) 2659 8237/38</b>
<b>Type of Security: Equity shares</b> <b>Scrip Code : 533227</b>	<b>Type of Security: Equity shares</b> <b>NSE Symbol : AHLEAST</b>

Madams / Sirs,

**Sub: Updates on the Scheme of Arrangement.**

Further to our letter dated 7<sup>th</sup> February, 2019 and 31<sup>st</sup> May, 2019 please be noted that now the Company has received certified true copies of the orders of Hon'ble National Company Law Tribunal Kolkata and Chennai Benches, the copies of which are enclosed for your reference.

The Company is in the process to file the same through appropriate e-form with the Ministry of Corporate Affairs (MCA). Upon filing of the same with MCA, the Scheme of Arrangement between GJS Hotels Limited, the Company and Robust Hotels Private Limited and their respective shareholders pursuant to Section 230 of the Companies Act, 2013 shall be effective. Thereafter, the Company will give necessary effect of the scheme.

This is for information and dissemination.

Thanking You.

Yours truly,

For Asian Hotels (East) Limited

  
**Saumen Chatterjee**  
**Chief Legal Officer &**  
**Company Secretary**



OWNER OF

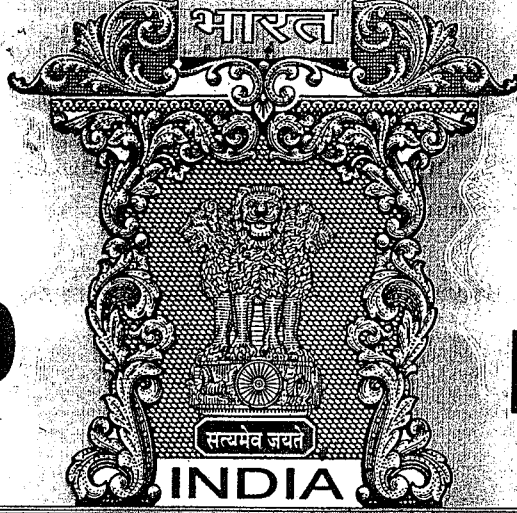


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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

1  
KOLKATA BENCH

CP (CAA) No. 770 / KB / 2018

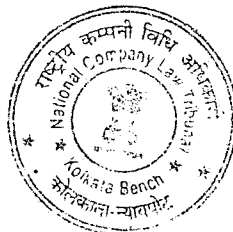
CA (CAA) No. 516 / KB / 2017

In the matter of the Companies Act, 2013; Section – 230-232

AND

In the matter of: GJS Hotels Ltd. & Anr

Certified Copy of the Order dated 06.02.2019 passed by this Bench.



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Form No. CAA.7

[Pursuant to section 232 and rule 20]

IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH

Company Petition No.770 of 2018

connected with

CA(CAA) No. 516/KB/2017

IN THE MATTER OF:

The Companies Act, 2013 - Section 230(6) read with Section 232(3)

-And-

IN THE MATTER OF:

**GJS Hotels Limited**, a Company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Act, having its registered office at Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata 700 098 in the State of West Bengal.

-And-

..... Petitioner No.1



*[Handwritten signature]*

**Asian Hotels (East) Limited**, a Company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Act having its registered office at Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata 700 098 in the State of West Bengal.

..... Petitioner No.2

IN THE MATTER OF:

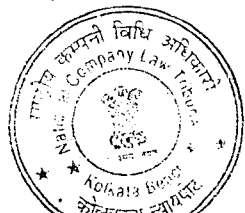
1. **GJS Hotels Limited**
2. **Asian Hotels (East) Limited**

..... PETITIONERS

**Order Under Sections 230 and 232 of the Companies Act,2013**

1. The above Company Petition coming on for further hearing on the 24<sup>th</sup> January, 2019 and upon hearing the advocate appearing for the Petitioners and upon hearing Deputy Director of Regional Directorate, Eastern Region representing the Central Government the final order was passed on the 06<sup>th</sup> February, 2019.

2. The object of this Petition is to obtain sanction of this Tribunal to the Scheme of Arrangement between GJS Hotels Limited, being the Petitioner Company No.1, "GJSHL", Asian Hotels (East) Limited, being the Petitioner Company No.2, "AHEL" and Robust Hotels Private Limited, "RHPL" and their respective shareholders whereby and whereunder it is



proposed to reorganise and reconstruct the said Companies by (1) reconstructing GJSHL and AHSL by demerging the Demerged Undertaking of GJSHL(including investment in RHPL) to AHSL and (2) reorganising and converting the outstanding 43,00,000 12% Cumulative Redeemable Preference Shares of Rs. 100/- each of RHPL ("Specified Preference Shares") and 1,55,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs. 100/- each of RHPL ("Specified Debentures") into Equity Shares of RHPL, in the manner and on the terms and conditions stated in the Scheme of Arrangement, a copy whereof is annexed with the Petition and marked "A".

3. The Scheme shall be operative from the Appointed Date, i.e. the close of business hours on the 31<sup>st</sup> March, 2016.

4. The Board of Directors of the Petitioner Companies and Robust Hotels Private Limited, at their respective meetings held on 10<sup>th</sup> February, 2017, by resolutions passed unanimously, approved the Scheme of Arrangement between GJS Hotels Limited, Asian Hotels(East) Limited and Robust Hotels Private Limited and their respective shareholders.

5. The true copies of the said Board resolutions are annexed with the Petition and collectively marked "K".

6. It is stated in the Petition that Asian Hotels (East) Limited is a well established hospitality company engaged primarily in the business of running the 'Hyatt Regency' hotel at Salt Lake in Kolkata. In addition, Asian Hotels (East) Limited holds and is engaged in the business of investing in shares and securities of other bodies corporate on both, a short term basis (current investments) and long term basis (non-current investments). Asian Hotels (East) Limited thus also has substantial



interests in the hospitality business through its subsidiaries, being GJS Hotels Limited which is a direct and wholly owned subsidiary of Asian Hotels (East) Limited and Robust Hotels Private Limited which is a subsidiary of GJS Hotels Limited. While Robust Hotels Private Limited is running the 'Hyatt Regency' hotel at Anna Salai, Tenampet in Chennai, GJS Hotels Limited is pursuing a project for establishing a hotel in Bhubaneswar, Odisha. The operations of GJS Hotels Limited have been funded primarily by Asian Hotels(East) Limited by a combination of equity capital and loan while the operations of Robust Hotels Private Limited have also been funded primarily by Asian Hotels(East) Limited and GJS Hotels Limited by a combination of equity capital, preference capital and debt. While Asian Hotels (East) Limited has been in the hospitality business for several years, the business of GJS Hotels Limited and Robust Hotels Private Limited is relatively new. The said companies have been looking at suitable proposals for restructuring with the objective, inter alia, of simplifying and rationalising their holding and financial structure and pursuing their business more conveniently and beneficially.

7. It is also stated in the Petition that the demerger will simplify the holding structure of the subsidiaries of Asian Hotels (East) Limited and result in Robust Hotels Private Limited also becoming a direct wholly owned subsidiary of Asian Hotels (East) Limited consequent to transfer of the investment of GJS Hotels Limited in Robust Hotels Private Limited to Asian Hotels (East) Limited as part of the demerger.

8. It is further submitted in the Petition that the demerger will enable GJS Hotels Limited to pursue operating business with greater focus and attention and facilitate the business considerations and factors applicable to the same to be addressed more effectively and



*[Handwritten signature]*

adequately by GJS Hotels Limited without the responsibility of monitoring investments in Robust Hotels Private Limited. The demerger will also enable independent evaluation of the said business of GJS Hotels Limited and facilitate running and operation of such business and growth and development plans thereof to be funded independently.

9. It is stated in the Petition that the Scheme will suitably realign and adjust the relationship between the capital and assets of the respective Companies and have beneficial results for the applicant Companies, their shareholders and all concerned.

10. It is submitted in the Petition that there are no proceedings pending under Sections 235 to 251 of the Companies Act, 1956 or under Sections 210 to 227 of the Companies Act, 2013 against GJS Hotels Limited, Asian Hotels (East) Limited and Robust Hotels Private Limited.

11. The Auditors of GJS Hotels Limited, Asian Hotels (East) Limited and Robust Hotels Private Limited have confirmed that the accounting treatment in the Scheme is in conformity with the accounting standard prescribed under Section 133 of the Companies Act, 2013.

12. The Certificate issued by the Auditors of GJS Hotels Limited, Asian Hotels (East) Limited and Robust Hotels Private Limited are annexed with the Petition and collectively marked "R".

13. It is stated in the Petition that GJS Hotels Limited and Robust Hotels Private Limited are unlisted companies while Asian Hotels (East) Limited is a listed Company. The shares of Asian Hotels (East) Limited





are listed on BSE Limited and the National Stock Exchange of India Limited.

14. Pursuant to the SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015, Asian Hotels (East) Limited duly filed the Scheme with the said Stock Exchanges on 10<sup>th</sup> March, 2017 for their approval pursuant to the listing agreements entered into by it with the said Stock Exchanges. Apart from the same, Asian Hotels (East) Limited has also submitted the report of its Audit Committee on the Scheme and various other documents to the stock exchanges and also displayed the same on its website in terms of the SEBI Circular dated 30<sup>th</sup> November, 2015 and addressed all queries on the said documents.

15. The Complaints Report required to be filed in terms of the said Circular was also duly filed by Asian Hotels (East) Limited. BSE and NSE by their respective letters dated 18-05-2017 and 23-05-2017 have since confirmed that they have 'no adverse observation' on the Scheme pursuant to the said SEBI Circular.

16. In this regard, the Petitioner companies have filed an affidavit dated 16<sup>th</sup> December, 2017 in terms of the Order of this Tribunal dated 14<sup>th</sup> December, 2017.

17. The copies of the said letters dated 18<sup>th</sup> May, 2017 and 23<sup>rd</sup> May, 2017 issued by BSE and NSE are annexed with the Petition and collectively marked "S".

18. It is further submitted in the Petition that the Scheme embodies the arrangement between GJS Hotels Limited, Asian Hotels (East) Limited and Robust Hotels Private Limited and their respective



shareholders. No change in value or terms or any compromise or arrangement is proposed under the Scheme with any of the creditors of GJS Hotels Limited or Asian Hotels (East) Limited. The Scheme is an internal restructuring exercise and there would be no change in control or management of the enterprises as such under the Scheme.

19. It is further stated in the Petition that upon the Scheme coming into effect, Asian Hotels (East) Limited and GJS Hotels Limited would continue to have substantial excess of assets over liabilities and be in a position to meet their liabilities, as and when they accrue and in the ordinary course of business.

20. The creditors of the Petitioner Companies are not affected in any manner by the Scheme. On the contrary, the Scheme will inure to their benefit and is in their interest. The Scheme does not involve any debt restructuring and therefore, the requirement to disclose details of capital restructuring is not applicable.

21. From the record it appears that pursuant to an order dated 21<sup>st</sup> December, 2017, as modified by an order dated 4<sup>th</sup> January, 2018, passed by this Tribunal in Company Application CA(CAA) No.516/KB/2017, the petitioners had duly served notices of separate meetings of the Equity Shareholders and Unsecured Creditors of the Petitioner No.2 and also on Statutory Authorities through post, including the Central Government through the Regional Director, Ministry of Corporate Affairs, Eastern Region, Kolkata; (b) The Registrar of Companies, West Bengal; (c) Deputy Commissioner of Income Tax; (d) Chief Commissioner of Income Tax; (e) Securities Exchange Board of India; (f) The Manager, Listing Department, BSE Limited; (g); The Manager, Listing Department, National Stock Exchange of India Limited.



22. Further, notice of meetings was also published in the "Business Standard" in English and in "Ekdin" in Bengali on 21<sup>st</sup> January, 2018.

23. An affidavit of compliance was duly filed on 14<sup>th</sup> February 2018 by the petitioners in respect of said service and publication.

24. Pursuant to the above order dated 21<sup>st</sup> December, 2017, as modified by an order dated 4<sup>th</sup> January, 2018, separate meetings of the Equity Shareholders and Unsecured Creditors of the Petitioner No.2 were duly held on 21<sup>st</sup> day of February, 2018.

25. The meeting of the Equity Shareholders and Unsecured Creditors of Petitioner No.1 were dispensed with in view of such shareholders and creditors having already considered and giving their written consent to the Scheme in the form of Affidavits. Further since there were no Secured Creditors of Petitioner Companies no meetings were required to be held of the said Companies.

26. In terms of the order dated 21<sup>st</sup> December, 2017, as modified by an order dated 4<sup>th</sup> January, 2018, of this Tribunal, the Shareholders of the Petitioner Companies were also given the option of voting on the Scheme prior to the date of the meeting by postal ballot or e-voting during the respective voting period fixed therefor in accordance with the said order and the relevant rules. In terms of the said order only those shareholders who had not already cast their votes by postal ballot/e-voting were allowed to vote by poll at the venue of the meeting.



27. The Scrutinizer appointed by this Tribunal scrutinized the papers relating to the voting at the meetings and submitted his report thereon. The votes cast in each mode, i. e postal ballot, e-voting and poll at the venue were consolidated. The requisite quorum was present at the said meetings of the Equity Shareholders and Unsecured Creditors. The said meeting of the Equity Shareholders of AHEL approved the said scheme by requisite majority without any modification in terms of the aforesaid resolution and the said meeting of the Unsecured Creditors of AHEL unanimously approved the said Scheme without any modification in terms of the aforesaid resolution.

28. The Chairperson of the respective meetings of the Equity Shareholders and Unsecured Creditors of Petitioner No.2 has submitted his respective reports vide affidavit affirmed on 21<sup>st</sup> March, 2018.

29. The declaration of the results of the respective meeting were also posted on the website of AHEL and published in the "Business Standard" and "Ekdin", in their respective issues dated 24<sup>th</sup> February, 2018.

30. After such due compliance, the petitioners have made the instant petition bearing No. CP (CAA) No. 770/KB/2018, connected with CA(CAA) No. 516/KB/2017, before this Tribunal, among other things, seeking final sanction to the proposed Scheme of Arrangement.

31. This Tribunal had passed an order dated 10<sup>th</sup> August, 2018 in the said Petition, bearing CP(CAA) No. 770/KB/2018, connected with CA(CAA) No. 516/KB/2017, and directed publication to be effected of



the hearing of the Petition, issuance of the notices of this Petition to the statutory authorities for their objections, if any.

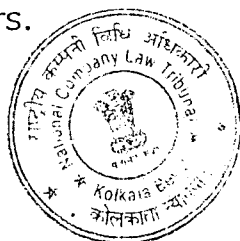
32. In compliance of the Order dated 10<sup>th</sup> August, 2018, passed in CP(CAA) No. 770/KB/2018, connected with CA(CAA) No. 516/KB/2017, the Petitioner Companies have filed affidavit of service affirmed on 30<sup>th</sup> August, 2018, evidencing publication of notice in the newspapers and service of notice upon the Central Government and other relevant Statutory Authorities.

33. The Regional Director, Eastern Region, Ministry of Corporate Affairs, has given his observations, vide Reply affidavit affirmed on 17<sup>th</sup> September, 2018 ("**Reply**").

34. The Petitioners have filed their rejoinder affirmed on 20<sup>th</sup> November, 2018 dealing with all the observations of the Regional Director in the said Affidavit dated 17<sup>th</sup> September, 2018 ("**Rejoinder**").

35. Upon considering the Rejoinder, the Regional Director has filed his Sur Rejoinder vide affidavit affirmed on 28<sup>th</sup> November, 2018 ("**Sur-Rejoinder**") to which the petitioners have filed their Explanatory Notes dated 2nd January, 2019 ("**Explanatory Notes**"), as was directed by this Tribunal vide its Order dated 21<sup>st</sup> December, 2018.

36. The Regional Director Regional Director, Eastern Region, Ministry of Corporate Affairs had replied to the Explanatory Notes vide his supplementary sur-rejoinder affidavit affirmed on 3rd January, 2019 ("**Supplementary Sur-Rejoinder**"), to which Supplementary Notes dated 24th January, 2019 ("**Supplementary Notes**") was submitted by the petitioners.



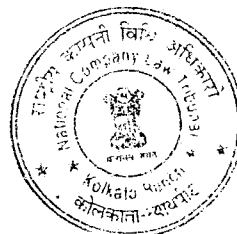
37. The Regional Director has principally made three observations in his Reply which have been reiterated in his subsequent affidavit, as aforesaid. The same have been dealt with by the petitioners in their Rejoinder and the responses have been reiterated in their rejoinder and notes, as aforesaid. The said observations made by the Regional Director, Eastern Region, Ministry of Corporate Affairs vide his Affidavits are given below :

I. 2(a) of the Supplementary Sur-Rejoinder on NBFC Issue :

*"That in respect of the contentions made in paragraph 2 and 3 of the rejoinder, it is submitted that in earlier affidavits of this deponent detailed submissions were duly made regarding the petitioner company is a systematically important core investment company and requires to make necessary pertinent compliances of RBI norms and regulations, may be considered by the Hon'ble Tribunal."*

II. 2(b) of the Supplementary Sur-Rejoinder on Composite Scheme:

*"It is submitted that in respect of the contentions made in paragraph 3 of the rejoinder the petitioner companies citing the provisions for merger of more than one transferor companies with one Transferee Company as a provision approval of the proposed composite scheme of arrangement. In this regard, the detailed submissions of this deponent in earlier affidavit regarding the composite schemes are not allowable under section 230-232 of the Companies Act, 2013 may be considered by the Hon'ble Tribunal."*



III. Paragraph 2(g) of the Reply Affidavit of the Regional Director, Eastern Region, Ministry of Corporate Affairs on Authorised Share Capital of RHPL:

*"It is submitted that clause 15 of the scheme provides for increase of the Authorized Capital of Robust Hotels Private Limited but no mention of fee payable to Registrar of Companies for such increase. In the Companies Act 2013, under section 61 or section 64 there is no provision for conversion of Authorized Preference Share Capital into Authorized Equity Share Capital or debentures into Authorized Equity Share Capital. Since the Companies Act 2013 does not provide for such conversion, it shall result into loss of Government revenue if the Authorized Capital is increased without payment of fee."*

38. The petitioners have inter alia, dealt with the issue of NBFC in paragraph 2 of their Explanatory Notes in terms as follows:

"AHEL is admittedly not a non-banking financial company and is operating a hotel, being the Hyatt Regency hotel in Kolkata. Further, GJSHL had undertaken a project for establishing a hotel at Bhubaneswar, in the State of Odisha and is also a holding company of Robust Hotels Private Limited ("RHPL"), a company owning and operating a hotel in Chennai. As such GJSHL does not trade in its investments in RHPL. As stated in paragraph 5 of the petitioners' Rejoinder, the petitioner No.1 (GJSHL) is not a non-banking financial company and is not required to be registered under the Reserve Bank of India Act, 1934 ("RBI Act"). The same has also been certified by the Statutory Auditors of GJSHL in their reports to the members of GJSHL, including in their report on the financial statements of GJSHL for the



financial year ended 31st March, 2017, included in Annexure "C" to the petition (Per clause (xvi) at page 124 of the petition). Without prejudice to the aforesaid, it is reiterated that GJSHL would in any event be a core investment company which is not a systemically important core investment company in terms of clause (xxv) of paragraph 3 of the Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Master Directions") and hence exempted from registration under the RBI Act as per paragraph 2(i) of such CIC Master Directions."

39. The petitioners have, inter alia, dealt with the observations relating to Composite Scheme in paragraph 3 of their Explanatory Notes, inter alia as follows:

"The petitioners reiterate that the instant Scheme is a composite Scheme of Arrangement between three companies, being AHSL, GJSHL and RHPL and their respective shareholders of which two companies, viz GJSHL and AHSL have their registered offices at Kolkata within the jurisdiction of this Hon'ble Tribunal while the third company, viz RHPL, has its registered office at Chennai within the jurisdiction of the Hon'ble Chennai Bench of the National Company Law Tribunal. All provisions and parts of the Scheme, including Parts I, II and III thereof, are connected and necessary for proper working of the Scheme as a whole. Such Scheme of Arrangement is a composite Scheme of Arrangement between the said parties under Sections 230 and 232 of the Companies Act, 2013 ("Act"). The Scheme is squarely covered and contemplated by the Act, including the said sections and is in accordance therewith. Such schemes are clearly contemplated and provided for under the said sections 230 and 232 of the Act and must necessarily be so in the context of schemes entailing amalgamation or demerger or otherwise involving two or more companies. Further, such composite Schemes of





Arrangement are in fact encouraged by legislation and judicial precedents for avoiding multiple and cumbersome applications and procedures and facilitating a single window clearance to such schemes. The principle is also enshrined in Companies (Compromises, Arrangements & Amalgamations) Rules, 2016. Rule 3(2) of the said Rule provided that **"where more than one company is involved in a scheme in relation to which an application under sub-rule (1) is being filed, such application may, at the discretion of such companies be filed as a joint application"**. Accordingly, GJSHL and AHSL having their registered offices within the jurisdiction of this Hon'ble Tribunal, have jointly filed the instant petition before this Hon'ble Tribunal for sanction of the Scheme and are the two petitioners before this Hon'ble Tribunal, as also correctly reflected in the cause title of the instant petition while RHPL, the third company, having its registered office in Chennai has also duly filed its petition for sanction of the Scheme before the Hon'ble Chennai Bench of the National Company Law Tribunal and is pursuing the same."

40. With respect to the observations of the Regional Director relating to Authorised Share Capital of RHPL, the Petitioners have dealt with the same in paragraph 8 of their Rejoinder and submitted that fees, if any, required to be paid on increase of Authorised Share Capital of RHPL, will be paid by RHPL.

41. It is further stated in the said explanatory notes dated 02<sup>nd</sup> January, 2019 that the instant Scheme of Arrangement is to the benefit and advantage of the said Companies, their shareholders, employees and all concerned. The Scheme is just, fair and reasonable and is not contrary to any provisions of law and does not violate any public policy.



The Scheme has also been approved bona fide by the shareholders of the Petitioner Companies.

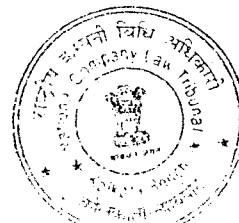
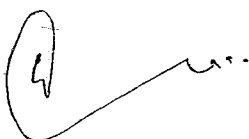
42. Heard the arguments of Ld. Senior Counsel for the Petitioner Companies and the Ld. Joint Director, Office of the Regional Director, Eastern Region, Ministry of Corporate Affairs. Perused the records, documents annexed to the petition and affidavits and Notes filed in the instant proceedings.

43. In view of the facts stated above and since all the requisite compliance has been fulfilled, the following orders in terms of prayers made in the Petition are passed :

**THIS TRIBUNAL DOTH ORDER**

a. The Scheme of Arrangement mentioned in paragraph 1 of this petition, being Annexure "A" to the Petition, is sanctioned by this Tribunal to be binding with effect from the close of business hours on the 31st day of March, 2016 ("Appointed Date") on GJS Hotels Limited ("GJSHL") and Asian Hotels (East) Limited ("AHEL"), their respective shareholders, creditors and all concerned ;

b. All the property, rights and powers of GJSHL relating to the Demerged Undertaking, including those described in the Schedule of Assets but excluding those specified in clause 4.2 of the Scheme, be transferred from the said Appointed Date, without further act or deed, to AHEL and, accordingly, the same shall pursuant to Section 232(4) of



the Companies Act, 2013 be transferred to and vested in AHEL for all the estate and interest of GJSHL therein but subject, nevertheless, to the charges affecting the same, as provided in the Scheme ;

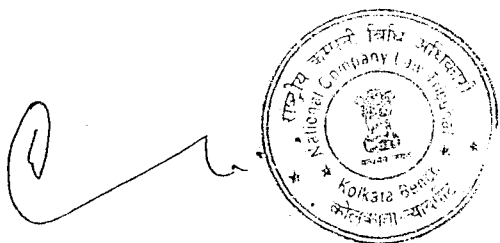
c. All the debts, liabilities, duties and obligations of GJSHL relating to the Demerged Undertaking be transferred from the said Appointed Date, without further act or deed, to AHEL and, accordingly, the same shall pursuant to Section 232(4) of the Companies Act, 2013, be transferred to and become the debts, liabilities, duties and obligations of AHEL ;

d. All the employees of GJSHL relating to the Demerged Undertaking shall be engaged by AHEL as provided in the Scheme ;

e. All proceedings and/or suits and/or appeals pending by or against GJSHL in respect of the Demerged Undertaking be continued by or against AHEL as provided in the Scheme ;

f. Leave is granted to the Petitioners to file the Schedule of Assets showing the present freehold and leasehold properties of the Demerged Undertaking of GJSHL to be transferred to AHEL in the form as prescribed in the Schedule to Form No.CAA7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 within three weeks from the date of this order ;

g. GJSHL and AHEL do each within thirty days of the date of the receipt of this order, cause a certified copy to be delivered to the Registrar of Companies for registration.



44. In the event the Petitioners supply legible computerized print out of the scheme and schedule of assets in acceptable form to the department, the department will append such computerized print-out, upon verification to the certified copy of the order without insisting on a hand-written copy thereof.

45. Accordingly, CP(CAA) No.770/KB/2018, connected with CA(CAA) No. 516/KB/2017 stands disposed of.

**Witness:**

Sri M.B. Gosavi, Hon'ble Member (Judicial) at Kolkata aforesaid on the 06<sup>th</sup> February, 2019.

Khaitan & Co., Advocate on record for the petitioners.

Mr. K.S. Pradhan JD (R.D., E.R.).



*(Handwritten signature)*

**Schedule of Assets**

**First Part-I**

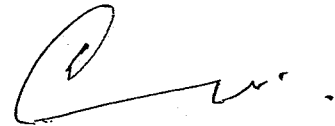
**(As per Annexure)**

**Second Part-II**

**(As per Annexure)**

**Third Part-III**

**(As per Annexure)**

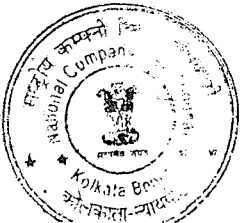


**Registrar-in-charge**

**National Company Law Tribunal**

**Kolkata Bench**

Dated, the 11<sup>th</sup> day of *July* March, 2019.



**SCHEME OF ARRANGEMENT**  
(Pursuant to Section 230 of the Companies Act, 2013)

BETWEEN  
**GJS HOTELS LIMITED**  
AND  
**ASIAN HOTELS (EAST) LIMITED**  
AND  
**ROBUST HOTELS PRIVATE LIMITED**  
AND  
THEIR RESPECTIVE SHAREHOLDERS

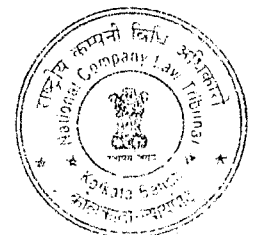
FOR  
DEMERGER OF INVESTMENT DIVISION (DEMERGED UNDERTAKING) OF  
GJS HOTELS LIMITED TO ASIAN HOTELS (EAST) LIMITED  
AND  
REORGANISATION OF SHARE CAPITAL AND DEBENTURES OF ROBUST  
HOTELS PRIVATE LIMITED

**PART - I**  
(Preliminary)

**1. Definitions:**

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

- i. "Act" means the Companies Act, 2013 or any statutory modifications or re-enactment thereof.
- ii. "NCLT" means the Hon'ble National Company Law Tribunal.
- iii. "GJSHL" means GJS Hotels Limited, a Company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Act, having its registered office at Hyatt Regency Kolkata, JA-1, Sector-3, Salt Lake City, Kolkata 700 098 in the State of West Bengal.
- iv. "AHEL" means Asian Hotels (East) Limited, a Company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Act having its registered office at Hyatt Regency Kolkata, JA-1, Sector-3, Salt Lake City, Kolkata 700 098 in the State of West Bengal.
- v. "RHPL" means Robust Hotels Private Limited, a Company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Act having its registered office at 365, Anna Salai, Teynampet, Chennai 600 018 in the State of Tamil Nadu.
- vi. "Appointed Date" means the close of business hours on the 31<sup>st</sup> day of March, 2016.
- vii. "Demerged Undertaking" means the undertaking of GJSHL engaged in the business of investing in shares and securities and shall mean and include all property, rights and powers and all debts, liabilities, duties and obligations of GJSHL pertaining to the Demerged Undertaking, including:

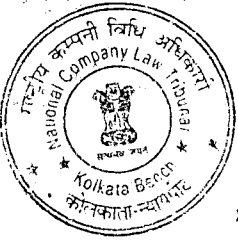


- (a) all properties and assets, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date relating to the Demerged Undertaking, including all receivables, inventories, cash and bank balances, loans and advances and other assets as appearing in the books of account of GJSHL in relation to the Demerged Undertaking and all other interests or rights in or arising out of or relating to the Demerged Undertaking together with all respective powers, interests, charges, privileges, benefits, entitlements, registrations, intellectual property rights, liberties, easements and advantages, subsidies, grants, taxes, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, etcetera), deferred tax benefits and other benefits appertaining to the Demerged Undertaking and/or to which GJSHL is entitled to in respect of the Demerged Undertaking of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records relating to the Demerged Undertaking;
- (b) all debts, liabilities, duties and obligations of GJSHL in relation to the Demerged Undertaking, including liabilities on account of secured loans, unsecured loans and sundry creditors, bonus, gratuity, service tax and other taxation and contingent liabilities of GJSHL pertaining to the Demerged Undertaking; and
- (c) all employees of GJSHL engaged in or in relation to the Demerged Undertaking.

viii. "Effective Date" means the date or last of the dates on which all the requisite approvals and sanction to the Scheme are obtained and certified copies of the order of the Hon'ble Benches of NCLT at Kolkata and Chennai sanctioning the Scheme are filed with the Registrar of Companies by GJSHL, AHPL and RHPL.

ix. "Scheme" means this Scheme of Arrangement pursuant to Section 230 of the Act in the present form or with such modification(s) as sanctioned by the Hon'ble Benches of NCLT at Kolkata and Chennai.

x. Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto.



## 2. Share Capital:

2.1 The Authorised, Issued, Subscribed and Paid-up Share Capital of GJSHL, AHPL and RHPL as on the date of approval of this Scheme by their Boards of Directors, i.e as on 10<sup>th</sup> February, 2017 is as under:

### i. GJSHL:

#### Authorised Share Capital:

1,40,00,000 Equity Shares of Rs.10/- each

(Rs.)

14,00,00,000/-

#### Issued, Subscribed and Paid up Share Capital:

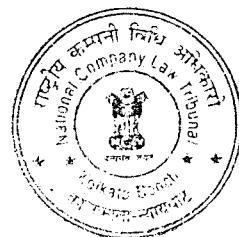
1,09,61,000 Equity Shares of Rs.10/- each fully paid up

10,96,10,000/-

ii. <u>AHEL:</u>	
<u>Authorised Share Capital:</u>	(Rs.)
8,90,00,000 Equity Shares of Rs.10/- each	89,00,00,000/-
10,00,000 Preference Shares of Rs.10/- each	1,00,00,000/-
	-----
	90,00,00,000/-
	-----
<u>Issued, Subscribed and Paid up Share Capital:</u>	
1,15,27,797 Equity Shares of Rs.10/- each fully paid up	11,52,77,970/-
iii. <u>RHPL:</u>	
<u>Authorised Share Capital:</u>	(Rs.)
9,50,00,000 Equity Shares of Rs.10/- each	95,00,00,000/-
43,00,000 Redeemable Preference Shares of Rs.100/- each	43,00,00,000/-
1,40,00,000 Preference Shares of Rs.10/- each	14,00,00,000/-
	-----
	152,00,00,000/-
	-----
<u>Issued, Subscribed and Paid up Share Capital:</u>	
9,39,42,769 Equity Shares of Rs.10/- each	93,94,27,690/-
43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each ("CRPS")	43,00,00,000/-
89,64,623 1% Compulsorily Convertible Preference Shares of Rs.10/- each ("CCPS")	8,96,46,230/-
	-----
	145,90,73,920/-
	-----

2.2 GJSHL, AHEL and RHPL hold shares inter se as follows:-

	In GJSHL	In AHEL	In RHPL		
	Equity Shares	Equity Shares	Equity Shares	12% Preference Shares (CRPS)	1% Preference Shares (CCPS)
by GJSHL	Nil	Nil	6,39,32,769 (68.06%)	Nil	89,64,623 (100%)
by AHEL	1,09,61,000 (100%)	Nil	3,00,10,000 (31.94%)	43,00,000 (100%)	Nil
by RHPL	Nil	Nil	Nil	Nil	Nil
Total cross-holdings	1,09,61,000 (100%)	Nil	9,39,42,769 (100%)	43,00,000 (100%)	89,64,623 (100%)
Total Shares issued by the Companies	1,09,61,000 (100%)	1,15,27,797 (100%)	9,39,42,769 (100%)	43,00,000 (100%)	89,64,623 (100%)



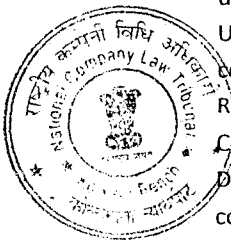


As will be apparent from the aforesaid table, GJSHL is a wholly owned (100%) subsidiary of AHEL while RHPL is a 68.06% subsidiary of GJSHL. Thus RHPL is also a step down subsidiary of AHEL. All the Equity and Preference Shares of RHPL are held by and between AHEL and GJSHL, as aforesaid.

- 2.3 In addition to the above, AHEL had also given a loan (short term borrowing) of Rs.373.14 crores to GJSHL and GJSHL had subscribed to and held 2,05,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each issued by RHPL as on the Appointed Date. It is clarified that 50,00,000 Debentures out of the said 2,05,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each issued by RHPL have since been redeemed by RHPL on 27<sup>th</sup> September, 2016. It is further clarified that the terms applicable to 89,64,623 1% Cumulative Redeemable Optionally Convertible Preference Shares of Rs.10/- each issued earlier by RHPL were varied on 1<sup>st</sup> October 2016 to make the said Preference Shares convertible compulsorily. Such Compulsorily Convertible Preference Shares of Rs.10/- each will stand converted into Equity Shares accordingly before 31<sup>st</sup> March, 2017 in accordance with their terms.

### 3. Objects and Reasons:

- i. AHEL is a well established hospitality company engaged primarily in the business of running the 'Hyatt Regency' hotel at Salt Lake in Kolkata. In addition, AHEL holds and is engaged in the business of investing in shares and securities of other bodies corporate on both, a short term basis (current investments) and long term basis (non-current investments). AHEL thus also has substantial interests in the hospitality business through its subsidiaries, being GJSHL which is a direct and wholly owned (100%) subsidiary of AHEL and RHPL which is a subsidiary of GJSHL. While RHPL is running the 'Hyatt Regency' hotel at Anna Salai, Teynampet in Chennai, GJSHL is pursuing a project for establishing a hotel in Bhubaneshwar, Odisha. The operations of GJSHL have been funded primarily by AHEL by a combination of equity capital and loan while the operations of RHPL have also been funded primarily by AHEL and GJSHL by a combination of equity capital, preference capital and debt. While AHEL has been in the hospitality business for several years, the business of GJSHL and RHPL is relatively new. The said Companies have been looking at suitable proposals for restructuring with the objective, inter alia, of simplifying and rationalising their holding and financial structure and pursuing their business more conveniently and beneficially.
- ii. In the circumstances and as part of an overall restructuring plan, it is considered desirable and expedient to (1) reconstruct GJSHL and AHEL by demerging the Demerged Undertaking of GJSHL (including investment in RHPL) to AHEL and (2) reorganise and convert the outstanding 43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each of RHPL ("Specified Preference Shares") and 1,55,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each of RHPL ("Specified Debentures") into Equity Shares of RHPL, in the manner and on the terms and conditions stated in this Scheme of Arrangement.
- iii. The demerger will simplify the holding structure of the subsidiaries of AHEL and result in RHPL also becoming a direct wholly owned (100%) subsidiary of AHEL consequent to transfer of the investment of GJSHL in RHPL to AHEL as part of the demerger. Accordingly, following the demerger, both companies, GJSHL and RHPL will be directly held by AHEL. The same will enable AHEL to optimise returns from its investments in its subsidiaries and to hold such investments more conveniently. The activity of holding



and monitoring investments in shares and securities of other bodies corporate, including taking decisions and exercising rights in respect of such investments is already undertaken by AHEL on a much larger scale. As such the investment in RHPL will be held and monitored in AHEL more efficiently and advantageously without detracting from the hotel operating business carried on directly by AHEL or diluting focus thereon.

- iv. The demerger will enable GJSHL to pursue operating business with greater focus and attention and facilitate the business considerations and factors applicable to the same to be addressed more effectively and adequately by GJSHL without the responsibility of monitoring investments in RHPL. The demerger will also enable independent evaluation of the said business of GJSHL and facilitate running and operation of such business and growth and development plans thereof to be funded independently.
- v. The reorganisation and conversion of the Specified Preference Shares and Specified Debentures of RHPL into Equity Share Capital in terms of the Scheme will suitably simplify and rationalise the financial structure of RHPL. The same will also enable RHPL to improve its performance with better operating parameters, including a more appropriate debt equity ratio, and enhance its capacity to raise and access funds for growth and development of its business. The conversion into equity will also link returns more closely to performance and provide greater flexibility to the financial structure of RHPL.
- vi. As such, the Scheme will enable AHEL and its subsidiaries to pursue their businesses more conveniently and advantageously and unlock shareholders value.
- vii. The Scheme will suitably realign and adjust the relationship between the capital and assets of the respective Companies and have beneficial results for the said Companies, their shareholders and all concerned.

#### PART - II

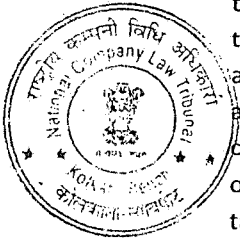
(Demerger of Demerged Undertaking of GJSHL to AHEL)

4. **Transfer of Demerged Undertaking of GJSHL:**
  - 4.1 With effect from the Appointed Date, the Demerged Undertaking of GJSHL shall stand demerged to AHEL. Accordingly, the Demerged Undertaking of GJSHL shall, pursuant to the provisions contained in Section 232 and other applicable provisions of the Act and subject to the provisions of the Scheme in relation to the mode and transfer of vesting, stand transferred to and vest in or be deemed to be transferred to and vested in AHEL, as a going concern with effect from the Appointed Date for all the estate and interest of GJSHL therein in accordance with and subject to the modalities for transfer and vesting stipulated herein.
  - 4.2 It is expressly provided that in respect of such of the said assets of the said Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same shall be so transferred by GJSHL and shall become the property of AHEL accordingly as an integral part of the Demerged Undertaking transferred to AHEL, without requiring any deed or instrument of conveyance for the same.
  - 4.3 In respect of such of the assets of the Demerged Undertaking other than those referred to in Clause 4.2 above, the same shall, be transferred to and vested in and/or be



deemed to be transferred to and vested in AHEL pursuant to an order passed under the provisions of Section 232 of the Act.

- 4.4 All debts, liabilities, duties and obligations of GJSHL relating to the Demerged Undertaking as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of GJSHL relating to the Demerged Undertaking which may accrue or arise from the Appointed Date but which relate to the period upto the day immediately preceding the Appointed Date shall also be transferred to AHEL, without any further act or deed, pursuant to an order passed under the provisions of Section 232 of the Act, so as to become the debts, liabilities, duties and obligations of AHEL.
- 4.5 The transfer and vesting of the Demerged Undertaking of GJSHL, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof.
- 4.6 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates obtained by GJSHL for the operations of the Demerged Undertaking /or to which GJSHL is entitled to in relation to the Demerged Undertaking in terms of the various Statutes and / or Schemes of Union and State Governments, shall be available to and vest in AHEL, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of AHEL. Since the Demerged Undertaking will be transferred to and vested in AHEL as a going concern without any break or interruption in the operation thereof, AHEL shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates and to carry on and continue the operations of the Demerged Undertaking on the basis of the same upon this Scheme becoming effective. Further, all benefits, including, under Income Tax, Excise (including Cenvat), Sales Tax etc to which GJSHL is entitled in relation to the Demerged Undertaking in terms of the various Statutes and / or Schemes of Union and State Governments shall be available to and vest in AHEL upon this Scheme becoming effective.
- 4.7 For the removal of doubts, it is clarified that to the extent that there are inter-company loans, deposits, balances or other outstandings as between AHEL and GJSHL in relation to the Demerged Undertaking, the same shall stand cancelled consequent to transfer of the Demerged Undertaking to AHEL and the obligations in respect thereof shall come to an end. Due effect of such cancellation shall be given in the books of account accordingly with effect from the Appointed Date as a result of such cancellation of inter-company loans, deposits, balances or other outstandings and there would be no accrual of interest or any other charges in respect of the same. The loan (short term borrowing) taken by GJSHL from AHEL in relation to the Demerged Undertaking as on the Appointed Date shall stand cancelled accordingly consequent to transfer of the Demerged Undertaking to AHEL.
- 4.8 The demerger and transfer of the Demerged Undertaking of GJSHL to AHEL in terms of this Scheme shall be deemed to have taken place and come into effect prior to reorganisation of Share Capital and Debentures of RHPL in terms of Part III of this Scheme.



**5. Legal Proceedings:**

All legal or other proceedings by or against GJSHL and relating to the Demerged Undertaking of GJSHL shall be continued and enforced by or against AHEL only. If proceedings are taken against GJSHL, GJSHL will defend on notice or as per advice of AHEL at the costs of AHEL and AHEL will indemnify and keep indemnified GJSHL from and against all liabilities, obligations, actions, claims and demands in respect thereof.

**6. Contracts and Deeds:**

Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements, engagements and other instruments of whatsoever nature relating to the Demerged Undertaking to which GJSHL is a party or to the benefit of which GJSHL may be eligible, and which have not lapsed and are subsisting on the Effective Date shall remain in full force and effect against or in favour of AHEL as the case may be, and may be enforced by or against AHEL as fully and effectually as if, instead of GJSHL, AHEL had been a party thereto.

**7. Saving of Concluded Transactions:**

The transfer and vesting of the properties and liabilities of the Demerged Undertaking under Clause 4 above, the continuance of the legal proceedings by or against AHEL under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above shall not affect any transaction or proceeding relating to the Demerged Undertaking already completed by GJSHL on or before the Effective Date to the end and intent that AHEL accepts all acts, deeds and things relating to the Demerged Undertaking done and executed by and/or on behalf of GJSHL as acts, deeds and things done and executed by and on behalf of AHEL.

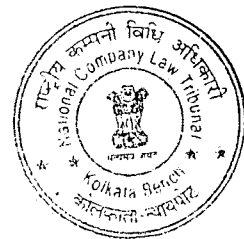
**8. Employees:**

On and from the Effective Date:

8.1 AHEL undertakes to engage all the employees of GJSHL engaged in the Demerged Undertaking on the Effective Date on the same terms and conditions on which they are engaged by GJSHL without treating it as a break, discontinuance or interruption of service on the said date as a result of the transfer of the Demerged Undertaking to AHEL.

8.2 Accordingly, the services of the said employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes, including for the purpose of payment of any retrenchment compensation and other terminal benefits, will be reckoned from the date of their respective appointments with GJSHL.

8.3 The accumulated balances, if any, standing to the credit of the said employees of the Demerged Undertaking in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by AHEL and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by AHEL. Pending the transfer as aforesaid, the dues of the employees of the Demerged Undertaking relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.



**9. Business in trust for AHEL:**

With effect from the Appointed Date and upto and including the Effective Date:

9.1 GJSHL undertakes to carry on the business of the Demerged Undertaking in the ordinary course of business and GJSHL shall be deemed to have carried on and to be carrying on all business and activities relating to the Demerged Undertaking for and on account of and in trust for AHEL.

9.2 All profits accruing to GJSHL (including taxes paid thereon) or losses arising or incurred by GJSHL in relation to the Demerged Undertaking for the period falling on and after the Appointed Date to the Effective date shall for all purposes, be treated as the profits (including taxes paid) or losses, as the case may be of AHEL.

9.3 GJSHL shall be deemed to have held and stood possessed of the properties to be transferred to AHEL for and on account of and in trust for AHEL and, accordingly, GJSHL shall not (without the prior written consent of AHEL) alienate, charge or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the usual course of business.

**10. No issue of Shares:**

Since all the Equity Shares of GJSHL are held by AHEL itself and AHEL cannot issue any shares to itself, no shares whatsoever shall be issued by AHEL in consideration of the demerger.

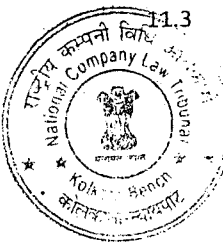
**11. Accounting:**

11.1 The transfer of assets and liabilities of the Demerged Undertaking from GJSHL to AHEL shall be accounted for in the books of account of GJSHL and AHEL in terms of this Scheme with effect from the Appointed Date.

11.2 The assets and liabilities of the Demerged Undertaking of GJSHL shall accordingly be transferred to AHEL and incorporated in the books of account of AHEL at their values as appearing in the books of account of GJSHL as on the Appointed Date. A Statement of assets and liabilities of the Demerged Undertaking as appearing in the books of account of GJSHL as on March 31, 2016 is set out in Schedule I hereto.

11.3 In the books of GJSHL, the difference between the assets and liabilities of the Demerged Undertaking, being a sum of Rs.232,88,33,185/- shall be first adjusted against the Securities Premium Account and credit balance in Profit and Loss Account of GJSHL aggregating to Rs.222,15,23,405/- and the remaining difference of Rs.10,73,09,780/- shall be adjusted against the Equity Share Capital of GJSHL by cancelling 1,07,30,978 Equity Shares of Rs.10/- each in the Share Capital of GJSHL.

11.4 In the books of AHEL, the said difference between the book value of the assets and liabilities of the Demerged Undertaking of Rs.232,88,33,185/- shall be adjusted in Business Reconstruction Reserves. The value of the investment of AHEL in the Equity Share Capital of GJSHL shall stand reduced from Rs.234,63,65,000/- to Rs.3,92,04,730/- consequent to the demerger and cancellation of Equity Shares of GJSHL, as aforesaid. Such reduction in value of investment shall be accounted for by adjusting the same against the Business Reconstruction Reserves account in the books of AHEL. After giving



effect to the accounting, as aforesaid, the net credit amount of Rs.2,16,72,915/- lying in the Business Reconstruction Reserve shall be adjusted against the General Reserve Account of AHEL.

- L.5 Subject to the aforesaid, the Board of Directors of GJSHL and AHEL shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the demerger in the respective books of account of the said Companies.

**Post Scheme conduct of business:**

Even after this Scheme becomes operative, AHEL shall be entitled to operate all Bank Accounts and Demat Accounts and realise all monies and complete and enforce all pending contracts and transactions relating to the Demerged Undertaking in the name of GJSHL and in so far as may be necessary until the transfer of rights and obligations of the said Demerged Undertaking to AHEL under this Scheme is formally accepted by the parties concerned.

**Remaining Business:**

Save and except the Demerged Undertaking of GJSHL and as expressly provided in this Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the rest of the business, assets and liabilities of GJSHL which shall continue to belong to and be vested in and be managed by GJSHL.

**PART – III**

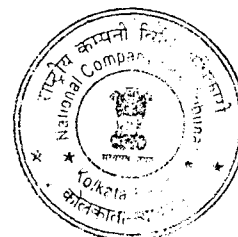
(Reorganisation of Share Capital and Debentures of RHPL)

**Appropriation to Equity Share Capital**

1. Consequent to demerger of the Demerged Undertaking of GJSHL to AHEL in terms of this Scheme, AHEL shall become the holder of all Preference Shares and Debentures of RHPL. With effect from the Appointed Date, and upon the demerger of the Demerged Undertaking of GJSHL to AHEL being effective in terms of this Scheme, the Specified Preference Shares and Specified Debentures of RHPL shall, without any further act or deed, be appropriated towards Equity Share Capital of RHPL to the extent and in the manner as stated hereunder:-

- i. 43,00,000 12% Cumulative Redeemable Preference Shares of Rs.100/- each (Specified Preference Shares) issued by RHPL shall stand appropriated towards 3,20,35,000 Equity Shares of Rs.10/- each, credited as fully paid up, at a premium of Rs10/- per share with effect from the Appointed Date.
- ii. 1,55,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each (Specified Debentures) issued by RHPL shall stand appropriated towards 3,79,75,000 Equity Shares of Rs.10/- each, credited as fully paid up, at a premium of Rs.10/-per share with effect from the Appointed Date.

It is clarified that another (1) 50,00,000 0.1% Unsecured Cumulative Non-Convertible Debentures of Rs.100/- each which were outstanding as on the Appointed Date have since been already redeemed on 27<sup>th</sup> September, 2016 and (2) all 89,64,623 1% Preference Shares of Rs.10/- each of RHPL which were outstanding as on the Appointed Date will stand converted into Equity Shares of RHPL before 31<sup>st</sup> March, 2017 in



accordance with their terms, as stated in clause 2.3 above, and hence are not required to be dealt with in clause 14.1 above.

**15. Increase of Authorised Share Capital of RHPL**

15.1 Upon the Scheme becoming effective, the Authorised Share Capital of RHPL shall stand reorganised and increased to Rs.224,18,38,300/- divided into 22,41,83,830 Equity Shares of Rs.10/- each and Clause V of the Memorandum of Association of RHPL shall stand altered accordingly. Consequently, the capital clause of the Memorandum of Association of RHPL shall, upon the Scheme being effective and without any further act, deed, instrument, resolution or writing stand substituted by the following clause:

*"The Authorized Share Capital of the Company is Rs.224,18,38,300/- divided into 22,41,83,830 Equity Shares of Rs.10/- each".*

15.2 It is clarified that for the purposes of Clause 15.1 above, the consent of the members of RHPL to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and increase in authorised share capital of RHPL and no further resolution under Sections 13 and 61 or any other applicable provisions of the Act would be required to be separately passed.

**16. Conversion to Equity Share Capital**

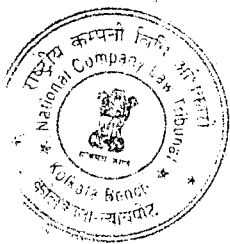
16.1 Upon the Scheme becoming effective, RHPL shall without any further application, act or deed, record, issue and allot an aggregate of 7,00,10,000 Equity Shares credited as fully paid up in RHPL in favour of AHEL consequent to appropriation of the Specified Preference Shares and Specified Debentures of RHPL towards Equity Shares in terms of Clause 14.1 hereof.

16.2 The Specified Preference Shares and Specified Debentures of RHPL shall stand reorganised and converted accordingly into 7,00,10,000 Equity Shares of Rs.10/- each of RHPL with effect from the Appointed Date. AHEL shall accept such Equity Shares to be issued and allotted to it in RHPL, as above, in full and final satisfaction of all claims in respect of such Specified Preference Shares and Specified Debentures, including in lieu of the amount paid up thereon and all arrears of dividend and interest thereon. It is clarified that the value of such arrears of dividend has been included in the valuation for conversion of the Specified Preference Shares into Equity Shares, as above. Instead of obtaining value of such arrears of dividend in cash, AHEL by this Scheme has accordingly exercised and shall be deemed to have exercised its option to accept Equity Shares in RHPL in which such value is included.

**17. Accounting**

17.1 The conversion of the Specified Preference Shares and Specified Debentures into Equity Share Capital, as aforesaid, shall be accounted for in the books of account of RHPL and AHEL in terms of this Scheme with effect from the Appointed Date.

17.2 In the books of RHPL, the conversion of the Specified Preference Shares and Specified Debentures, as aforesaid, shall be accounted for as on the Appointed Date by debiting the face value of the Specified Preference Shares (Rs.43,00,00,000/-) and face value of the Specified Debentures (Rs.155,00,00,000/-) to the respective Preference Share Capital Account and Debentures Account and crediting the face value of the 7,00,10,000 Equity Shares of Rs.10/- each (Rs.70,01,00,000/-) issued in lieu thereof and the premium thereon (Rs.70,01,00,000/-) to the respective Equity Share Capital Account and



Securities Premium Account and crediting the balance sum of Rs.57,98,00,000/- to the Business Reconstruction Reserve Account of RHPL. After giving effect to the accounting, as aforesaid, the said amount lying in the Business Reconstruction Reserve shall be adjusted against the Capital Reserve Account of RHPL.

- 7.3 In the books of AHEL, the conversion of the Specified Preference Shares and Specified Debentures, as aforesaid, shall be accounted for as on the Appointed Date by crediting the Investment Account of AHEL by the entire carrying amounts of AHEL recorded therein towards such Specified Preference Shares (Rs.61,53,74,060/-) and Specified Debentures (Rs.155,00,00,000/-) and debiting a sum of Rs.140,02,00,000 to such Investment account towards the aggregate of the face value and premium on the said 7,00,10,000 Equity Shares of Rs.10/- each issued on conversion and debiting the balance sum of Rs.76,51,74,060/- to the Business Reconstruction Reserve of AHEL. The resulting debit balance in Business Reconstruction Reserve shall be adjusted against General Reserves in the books of AHEL.

#### PART - IV

(General/ Miscellaneous Provisions).

##### **1. Applications:**

GJSHL and AHEL shall, with all reasonable dispatch, make necessary applications pursuant to Sections 230 and 232 of the Act to the Hon'ble Bench of NCLT at Kolkata for sanction and carrying out of the Scheme. RHPL shall, with all reasonable dispatch, also make necessary applications pursuant to Section 230 of the Act to the Hon'ble Bench of NCLT at Chennai for sanction of the Scheme. GJSHL, AHEL and RHPL shall also apply for such other approvals as may be necessary in law, if any, for bringing the Scheme into effect. Further, GJSHL, AHEL and RHPL shall be entitled to take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

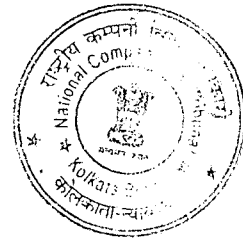
##### **Approvals and Modifications:**

GJSHL, AHEL and RHPL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

- 1 To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble Benches of NCLT at Kolkata and Chennai and / or any authorities under law may deem fit to approve or direct or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.
- 2 To settle all doubts or difficulties that may arise in carrying out the Scheme; to give their approval to all such matters and things as is contemplated or required to be given by them in terms of this Scheme; and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.

Without prejudice to the generality of the foregoing GJSHL, AHEL and RHPL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

**Scheme Conditional Upon:**





The Scheme is conditional upon and subject to:

- 20.1 Approval of the Scheme by the requisite majorities of the shareholders of GJSHL, AHEL and RHPL and such other classes of persons, if any, as may be directed by the Hon'ble Benches of NCLT at Kolkata and Chennai pursuant to Section 230 of the Act. In so far as approval of shareholders of AHEL, as aforesaid, is concerned, it is clarified that in terms of paragraphs I(A)9(a) and I(A)9(b) of Annexure I of SEBI Circular dated 30th November, 2015, the Scheme shall be acted upon only if the votes cast by the public shareholders of AHEL in favor of the Scheme are more than the number of votes cast by them against it;
- 20.2 Approval of the Scheme by the Stock Exchanges where AHEL is listed in terms of the Securities and Exchange Board of India (SEBI) Circular dated 30 November 2015; and
- 20.3 Sanction of the Scheme by the Hon'ble Benches of NCLT at Kolkata and Chennai.

Accordingly, the Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the date or last of the dates on which all the aforesaid approvals and sanction are obtained and certified copies of the order of the Hon'ble Benches of NCLT at Kolkata and Chennai sanctioning the Scheme are filed with the Registrar of Companies.

**21. Costs, Charges and Expenses:**

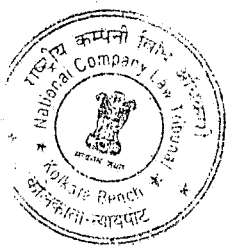
All costs, charges and expenses, in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto upto the stage of sanction of this Scheme, shall be borne and paid by AHEL.

**22. Residual Provisions:**

- 22.1 GJSHL, AHEL and RHPL shall not at any time during the period commencing from the date of approval of this Scheme by the Board of Directors of the said Companies and ending with the Effective Date make any change in their capital structure either by way of increase (by issue of equity shares on a rights or preferential allotment basis, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, subdivision or consolidation, re-organisation, or in any other manner except by mutual consent of the respective Boards of Directors of GJSHL, AHEL and RHPL.

- 22.2 The transition adjustments, if any, due to transition to the new Indian Accounting Standards prescribed by the Companies (Indian Accounting Standards) Rules, 2015 from 1<sup>st</sup> April, 2016 are to be made only after giving effect to the accounting for the demerger and reorganisation and conversion of Share Capital and Debentures as per this Scheme, in accordance with the earlier Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 which were applicable upto the Appointed Date. Accordingly, it is clarified that no such transition adjustments shall be required to be made in the books of GJSHL and AHEL in respect of the assets and liabilities of the Demerged Undertaking or in the books of RHPL and AHEL in respect of conversion of the Specified Preference Shares and Debentures. Such transition adjustments, if any, shall be required to be made only in respect of the other assets and liabilities of the companies.

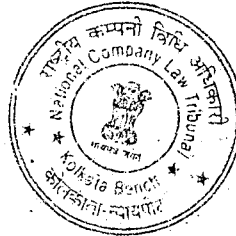
- 22.3 On the approval of the Scheme by the members of GJSHL, AHEL and RHPL pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all



relevant consents under Sections 13, 48, 61 and 62(1)(c) of the Companies Act, 2013 or any other provisions of the Act to the extent the same may be considered applicable.

22.4 Without prejudice to the generality of the foregoing, it is clarified and provided that cancellation of Securities Premium Account and Equity Share Capital of GJSHL in terms of this Scheme shall be effected as an integral part of this Scheme. Such cancellation does not involve either diminution of liability in respect of unpaid share capital or payment of paid-up share capital. Further, since such cancellation is an integral part of the Scheme, the provisions of Section 66 of the Act are not applicable. It is further clarified and provided that notwithstanding such cancellation of Share Capital and Securities Premium Account of GJSHL, it shall not be required to add "And Reduced" as suffix to its name.

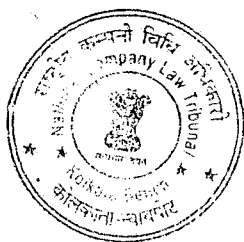
22.5 The demerger and transfer and vesting of the Demerged Undertaking of GJSHL to AHSL under this Scheme has been proposed in compliance with the provisions of Section 2(19AA) of the Income-Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date, including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.



Schedule I

Statement of Assets and Liabilities of Demerged Undertaking as on March 31, 2016

Assets	Rs. in Lakhs
Fixed Assets	-
Long term loans & advances	-
Other non-current assets	-
<b>Investments</b>	<b>602,32,42,553</b>
<b><u>Current Assets, Loans and Advances</u></b>	
Inventories	-
Trade receivables	-
Cash and Bank Balances	75,034
Loans & Advances	2,18,500
Advance to Hotel division	3,49,11,362
Other Current & Non- Current Assets	18,45,000
<b>Net Current Assets</b>	
<b>Total Assets</b>	<b>6,06,02,92,449</b>
<b><u>Current Liabilities &amp; Provisions</u></b>	
Short term borrowings from AHEL	373,14,18,600
Trade payables	-
Other Current Liabilities	26,212
Short-term provisions	-
<b><u>Non-Current Liabilities</u></b>	
Long Term provisions	14,452
<b>Total Liabilities</b>	<b>373,14,59,264</b>
<b>Net Asset (Credit)</b>	<b>2,32,88,33,185</b>



Before the National Company Law Tribunal

Kolkata Bench

Company Petition No. 770 of 2018  
-----

In the Matter of the Companies Act, 2013 - Section 230(6)

read with Section 232(3)

And

In the Matter of:

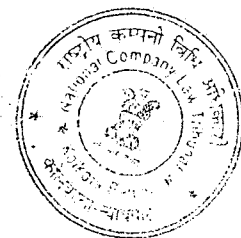
GJS Hotels Limited, a Company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Act, having its registered office at Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata 700 098 in the State of West Bengal.

And

Asian Hotels (East) Limited, a Company incorporated under the Companies Act, 1956 and being a Company within the meaning of the Act having its registered office at Hyatt Regency Kolkata, JA-1, Sector-III, Salt Lake City, Kolkata 700 098 in the State of West Bengal.

1. GJS Hotels Limited
2. Asian Hotels (East) Limited

..... Petitioners



**SCHEDULE OF ASSETS**

OF

The Demerged Undertaking of GJS Hotels Limited ("GJSHL") as on 31<sup>st</sup> March 2016 ("the Appointed Date")

**Part - I**

(Short Description of Freehold Property of the Demerged Undertaking of GJSHL)

NIL

**Part - II**

(Short Description of Leasehold Property of the Demerged Undertaking of GJSHL)

NIL

**Part - III**

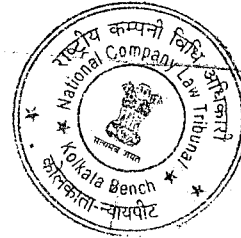
(Short description of stocks, shares, debentures and other choses in action of the Demerged Undertaking of GJSHL)

1. Movables specified in clause 4.2 of the Scheme are transferable to Asian Hotels (East) Limited ("AHEL") as provided therein.
2. Investments in shares, stocks and debentures as on the Appointed Date, include the following:-
  - a. 6,39,32,769 Equity Shares of Rs. 10/- each of Robust Hotels Private Limited ("RHPL")
  - b. 89,64,623 1% Cumulative Redeemable Optional Convertible Preference Shares ("CCPS") of Rs. 10/- each of RHPL
  - c. 2,05,00,000 0.1% Unsecured Redeemable Non-Convertible Debentures ("Debentures") of Rs. 100/- each of RHPL



3. Other Current & Non-Current Assets as on the Appointed Date amounting to Rs.18,45,000/-
4. Advance to Hotel Division as on the Appointed Date amounting to Rs. 3,49,11,362/-
5. Loans & Advances as on the Appointed Date amounting to Rs. 2,18,500/-
6. Cash and Bank Balances as on the Appointed Date amounting to Rs. 75,034/-

Note : It is clarified that the above Schedule is of the Assets as existing as on the Appointed Date. All 89,64,623 CCPS have been converted into 6,02,31,060 equity shares of Rs.10/- each and 50,00,000 Debentures out of the aforesaid 2,05,00,000 Debentures have been redeemed after the Appointed Date, as also clarified in clause 2.3 of the Scheme. In terms of the Scheme, all transactions relating to the Demerged Undertaking, including the aforesaid transactions, which have been completed on or after the Appointed Date and upto the Effective Date are deemed to have been done and completed on behalf of AHEL.



Before the National Company Law Tribunal  
Kolkata Bench  
Company Petition No. 770 of 2018

In the Matter of the Companies Act, 2013 - Section 230(6)  
read with Section 232(3)

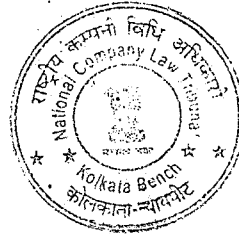
And

In the Matter of:

1. GJS Hotels Limited
2. Asian Hotels (East) Limited

..... Petitioners

Schedule of Assets



NO. HA NO-931/2019  
Date of Presentation 06/02/19  
of application for Copy 06/02/19  
No. of Pages Thirty Seven  
Copying Fee 185/-  
Registration & Postage Fee -  
Total 250/-  
Date of Receipt & 11/07/19  
Record of 11/07/19  
Date of Preparation of Copy 16/07/19  
Date of Lodging of Copy 16/07/19

16/7/19  
DD/DR/AR/Court Officer  
National Company Law Tribunal  
Kolkata Bench

IN THE NATIONAL COMPANY LAW TRIBUNAL  
SPECIAL BENCH, CHENNAI

CP/472/CAA/2019  
In  
CA/40/CAA/2018

Under Section 230 of the Companies Act, 2013

In the matter of **Scheme of Arrangement (Demerger)**

Between

**M/s. GJS HOTELS LIMITED**

... Demerged Company

And

**M/s. ASIAN HOTELS (EAST) LIMITED**

... Resulting Company

And

**M/s. ROBUST HOTELS PRIVATE LIMITED**

... Petitioner Company

And

**THEIR RESPECTIVE SHAREHOLDERS**

Order passed on: 24<sup>th</sup> June, 2019

**CORAM**

**CH. MOHD SHARIEF TARIQ, MEMBER (JUDICIAL)**  
**S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)**

For Petitioner : Ms. Preeti Mohan and Ms. Pavitra Venkateswaran,  
Counsels

**ORDER**

**Per: CH. MOHD SHARIEF TARIQ, MEMBER (J)**

1. Under Consideration is a Company Petition No. 472/CAA/2019 filed u/s 230 of the Companies Act 2013  
t/w the Companies (Compromises, Arrangements, and





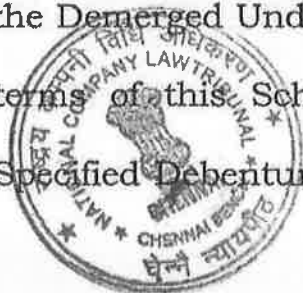
having its Registered Office at 365, Anna Salai, Teynampet, Chennai 600018, in the State of Tamil Nadu. RHPL, the petitioner herein, is not the demerging or resulting entity under the Scheme. No part of its undertaking, assets or liabilities is being transferred to any person under the Scheme. The demerged company is GJSHL ("**Demerged Company**") and AHSL ("**Resulting Company**"), being companies having their registered offices in Kolkata, who have already obtained necessary orders allowing the Demerger from the Hon'ble Kolkata Bench, NCLT on 6<sup>th</sup> February, 2019.

3. The Petitioner Company is engaged in the business to construct, build, erect, acquire, purchase, establish, administrate, manage, run or in any manner and in all respects deal in hotels and lodging houses of every kind and description, including all conveniences, amenities and facilities relating or adjunct thereto and to carry on the business of hotel, restaurant, refreshment rooms, beauty parlour, souvenir shop, cafe, coffee pubs, roadhouse, motel, holiday resorts, country clubs, caravan site, and apartment housekeepers, entertainment malls, multiplexes, etc. The



better operating parameters, including a more appropriate debt equity ratio, and enhance its capacity to raise and access funds on more favourable terms from internal and external sources for the better and more optimum running, growth and development of its business. The conversion into equity will also link returns more closely to performance and provide greater flexibility to the financial structure of RHPL. The Scheme will have beneficial results for all the Companies, their shareholders and all concerned.

6. The Petitioner Company is a subsidiary of GJSHL (Demerged Company), with GJSHL holding at present 80.53%, and AHEL (Resulting Company) holding the balance 19.47% of the shares in the Petitioner Company. Consequent to the Demerger of the Demerged Undertaking of GJSHL to AHEL in terms of this Scheme, which includes the investment in RHPL, AHEL shall become the holder of all Debentures of RHPL, in addition to holding all the Preference Shares. The Scheme provides that with effect from the Appointed Date, and upon the demerger of the Demerged Undertaking of GJSHL to AHEL being effective in terms of this Scheme, the Specified Preference Shares and Specified Debentures of RHPL shall, without any further act or



*Handwritten signature or mark*

observation made by the RD under para 9 of his Affidavit, the authorised signatory of the Petitioner Company has filed an Affidavit deposing therein that the Petitioner Company will file the amend MoA and AoA with the RoC, Chennai, and shall pay fee as may be required.

10. As mentioned in Clause 11 of the Scheme, it appears that the Accounting Treatment is in conformity with the Accounting Standards. The Appointed date of the said Scheme is 31.03.2016.

11. The Scheme of Arrangement (Demerger) will not cast any additional burden on the stakeholders and also will not prejudicially affect the interests of any class of the creditor/s in any manner. There is no requirement to modify the proposed Scheme. The Scheme of Arrangement (Demerger) appears to be fair and reasonable and is not contrary to public policy and not violative of any provisions of law. All the statutory compliances have been made under Section 230 to 232 of the Companies Act, 2013.

Therefore, the Scheme annexed with Petition stands sanctioned. The Scheme sanctioned shall be binding on all the



Companies (Compromises, Arrangements and Amalgamations)

Rules, 2016 notified on 14<sup>th</sup> December, 2016.

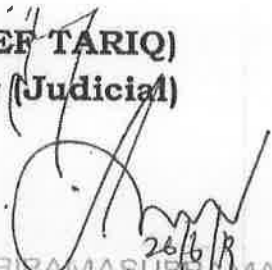
17. Accordingly, the Scheme stands sanctioned and

CP/472/CAA/2019 stands **disposed of**.

-SD-  
(S. VIJAYARAGHAVAN)  
Member (Technical)

Arpan

-SD-  
(CH. MOHD. SHARIEF TARIQ)  
Member (Judicial)

  
26/6/18  
N. SRIRAMASUBRAMANIAM  
ASSISTANT REGISTRAR  
NATIONAL COMPANY LAW TRIBUNAL  
CHENNAI BENCH  
CORPORATE BHAVAN, 3rd FLOOR  
29, RAJAJI SALAI, CHENNAI-600001.



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