

CTL/MUM/SEC/24-25/09851

04th September 2024

To

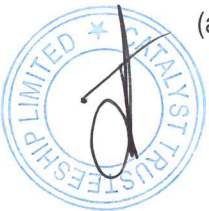
1. Kamat Hotels (India) Limited,
70-C, Nehru Road,
Near Santacruz Airport,
Vile Parle (East), Mumbai- 400099
Kind Attn.: [Ms. Smita Nanda]
2. Savarwadi Rubber Agro Private Limited
70-C, Nehru Road,
Near Santacruz Airport,
Vile Parle (East), Mumbai- 400099
Kind Attn.: [Ms. Smita Nanda]

Re: Proposed merger of Savarwadi Rubber Agro Private Limited and Treeo Resort Private Limited with Kamat Hotels (India) Limited.

Subject: No-objection Certificate

Dear Sir,

1. We refer to your letter dated September 03, 2024 ("**Request Letter**"), a copy of which has been attached hereto as **Annexure I**.
2. Capitalised terms used herein and not defined shall have the meaning assigned to such term in the said Request Letter.
3. We have been given to understand that for enhancing stakeholders' wealth, streamlining the group's structure, improved financial performance, strategic focus, and better risk mitigation, it has now been proposed to merge SRAPL and Treeo Resort Private Limited ("**TRPL**") with KHIL ("**Proposed KHIL Merger**").
4. Subject to paragraph 5 below, we hereby provide our no -objection to: (a) the Proposed KHIL Merger; and (b) release of the Pledge over SRAPL Shares on the Effective Date of the Proposed KHIL Merger as designated by the relevant national company law tribunal which has approved the Proposed KHIL Merger.
5. The no-objection provided in paragraph 4 above shall be subject to compliance with each of the following conditions:



- (a) Prior to the Proposed KHIL Merger becoming effective or the date on which the said Proposed KHIL Merger is approved by the relevant national company law tribunal, whichever is earlier, the entire amounts outstanding in relation to the loan aggregating to Rs. 5,15,00,000/- (Rupees Five Crores and Fifteen Lakhs only) availed by TRPL from Satara Sahakari Bank has been repaid in full to the satisfaction of the said Satara Sahakari Bank and relevant no-dues certificate has been obtained by TRPL from the said bank;

CATALYST TRUSTEESHIP LIMITED

Registered Office : GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038 Tel : +91 (20) 6680 7200
Delhi Office : 910-911, 9th Floor, Kailash Building, 26 Kasturba Gandhi Marg, New Delhi - 110 001 Tel : +91 (11) 4302 9101/02
Corporate Office : 901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400013
Tel : +91 (22) 4922 0555 Fax : +91 (22) 4922 0505
CIN No. U74999PN1997PLC110262 Email : dt@ctltrustee.com Website : www.catalysttrustee.com

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An ISO: 9001 Company



- (b) Within a period of 30 (Thirty) days or such other shorter time period as required under applicable law (including any directions issued by national company law tribunal which has approved the Proposed KHIL Merger), KHIL shall:
- (i) execute deed(s) of confirmation confirming the assumption of all obligations of SRAPL in relation to the Facility by KHIL and continuation of the first ranking charge created over the Mortgaged Properties, the Hypothecated Properties and Pledged Shares; and
 - (ii) make relevant filings with the sub-registrar of assurances, the registrar of companies, the relevant depositories for recording the assumption of all obligation of SRAPL by KHIL and continuation of the first ranking exclusive charge over the Mortgaged Properties, the Hypothecated Properties and Pledged Shares.
- (c) No Event of Default or any Material Adverse Effect has occurred and is subsisting;
- (d) the Company has obtained all approvals and consents as may be required in accordance with the applicable law, including from its shareholders, other creditors, stock exchanges and national company law tribunal; and
- (e) all other terms and conditions of the Facility as captured in the Facility Agreement and other Financing Documents shall remain unchanged.
6. This no-objection letter shall be construed as a 'Financing Documents' and any breach or non-compliance with the conditions set out in Paragraph 5 above shall be construed as an 'Event of Default' in relation to the Facility.
7. This consent granted here is without prejudice to the Security Trustee's/ Lender's remedies available under the Transaction Documents and under applicable law and the terms and covenants under the Transaction Documents remain applicable and binding on the Borrower.

Regards,

For Catalyst Trusteeship Limited



Deesha Srikanth
Sr. Vice President

Annexure I
Request Letter
(attached)



CATALYST TRUSTEESHIP LIMITED

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To

Date: 03.09.2024

1. Axis Finance Limited,
Axis House, Ground Floor,
Wadia International Centre, Worli,
Mumbai – 400025
("Lender")
Kind Attn.: Ms. Deepti Dayal
2. Catalyst Trusteeship Limited
Unit No.-901, 9th Floor,
Tower B, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel,
Mumbai – 400013
("Security Trustee")
Kind Attn.: Mr. Sameer Trikha

Subject: Request for No-objection Certificate ("NOC") for proposed merger of Savarwadi Rubber Agro Private Limited and Treeo Resort Private Limited with Kamat Hotels (India) Limited.

Dear Sir,

1. We refer to the facility aggregating up to Rs. 200 Crores ("Facility") availed of by Kamat Hotels (India) Limited ("KHIL" / "Borrower") from Axis Finance Limited ("AFL" / "Lender") in terms of the facility agreement dated March 22, 2024 executed *inter alios* by KHIL and AFL ("KHIL Facility Agreement").
2. Further, in terms of the security trustee agreement dated March 21, 2024, executed by and between KHIL, the Lender and Catalyst Trusteeship Limited, KHIL has appointed Catalyst Trusteeship Limited to act as security trustee to act for and on behalf of and for the benefit of the Lender ("Security Trustee").
3. Pursuant to the terms of the KHIL Facility Agreement, upon request of KHIL, Savarwadi Rubber Agro Private Limited ("SRAPL") has as security for the Facility:
 - (a) Issued an irrevocable and conditional guarantee in terms of corporate guarantee dated March 22, 2024 executed by SRAPL in favour of the Lender;
 - (b) In terms of the deed of hypothecation dated May 27, 2024 executed *inter alios* by the SRAPL in favour of the Security Trustee, created a first ranking exclusive charge by way of hypothecation over all the movable fixed assets of SRAPL as identified as 'Hypothecated Properties' **Part A of Annexure I** hereto ("SRAPL Hypothecation").
4. In addition to the security interest set out in Paragraph 3 above, SRAPL has also covenanted and agreed that it shall also create security in relation to the Facility by way of:
 - (a) first ranking exclusive charge by way of an exclusive pledge over all the equity shares of Plaza Hotels Private Limited held by SRAPL as identified as 'Pledged Shares' in **Part B of Annexure I** hereto ("SRAPL Pledge"); and
 - (b) first ranking exclusive charge by way of mortgage on all right, title and interest of SRAPL in the sewage treatment plant situated at Vile Parle (East), Mumbai as 'Mortgaged Properties' identified in **Part C of Annexure I** hereto ("SRAPL Mortgage").

REGD OFF.: 70-C, Nehru Road, Vile Parle (East), Mumbai - 400 099, India. Tel.:022 2616 4000, Fax :022 2616 4203
Email-Id : cs@khil.com | Website: www.khil.com | CIN: L55101MH1986PLC039307

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5. SRAPL has on or about the date hereof has executed relevant mortgage deed, pledge agreements along with relevant power of attorney and other undertakings, deeds and documents as may be required for creation and perfection of the security interest referred to in Para 4 above.
6. Further, as security for the Facility, the SRAPL Pledgors as identified in **Part D of Annexure I** hereto have created a first ranking pledge over their shareholding in SRAPL so that at all times entire 100% share capital is pledged in favour of Security Trustee/ Lender as security for the Facility (“**Pledge over SRAPL Shares**”).
7. We hereby seek to inform you that for enhancing stakeholders' wealth, streamlining the group's structure, improved financial performance, strategic focus, and better risk mitigation, it has now been proposed to merge SRAPL and Treeo Resort Private Limited (“**TRPL**”) with KHIL (“**Proposed KHIL Merger**”). The draft scheme of the Proposed KHIL Merger (“**Draft Merger Scheme**”) has also been placed before the board of directors of KHIL (the “**Board**”) and the Board has, subject to the approval of shareholders, creditors, stock exchanges and national company law tribunal, vide its resolution dated May 23, 2024 approved the said Draft Merger Scheme. The said Draft Merger Scheme has been attached hereto as **Annexure II** for your perusal.
8. We understand that in terms of the Facility Agreement, KHIL and SRAPL are required to obtain prior consent of the Lender for formulation of any scheme of merger. Further, consent of the Security Trustee/ Lender is also required to be submitted to the stock exchange with which KHIL is listed/ has listed any of its securities.
9. In addition to the above, the Pledge over SRAPL Shares is also required to be released on the Effective Date of the Proposed KHIL Merger and for which necessary consent and pledge release actions would be required to be undertaken.
10. In view of the above, we hereby request you to grant your no-objection to: (a) the Proposed KHIL Merger and the Draft Merger Scheme; and (b) release of Pledge over SRAPL Shares on the Effective Date as per the Draft Merger Scheme.
11. We confirm that KHIL, SRAPL are in compliance with all terms, conditions and obligations set out in Facility Agreement and other Financing Documents, and no Event of Default or any Material Adverse Effect has occurred and is subsisting.
12. We accordingly hereby request you to grant NOC to KHIL and SRAPL to proceed with the Proposed Merger.
13. We are looking to favourably hear from you on the same.

Regards,
For Kamat Hotels (India) Limited

For Savarwadi Rubber Agro Private Limited



Dr. Vithal V. Kamat
Executive Chairman & Managing Director



Prabhakar Shetty
Director

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Annexure I

Part A- Hypothecated Properties

Hypothecated Properties mean: (i) all SRAPL Receivables (both present and future); and (ii) all Movable Properties (both present and future).

The term ‘SRAPL Receivables’ and ‘Moveable Properties’ shall mean as follows:

“SRAPL Receivables” means all and any of the cash flows, receivables, monies and proceeds accruing to or arising out of the business of SRAPL, including, but not limited to all the receivables, revenue, income generated and belonging to SRAPL, including those arising from its business and all other amounts owing to and received and / or receivable by SRAPL and / or any person on its behalf, all book debts, present or future and all rights, title, interest, benefits, claims, monies and demands whatsoever of SRAPL in relation to all: (i) receivables arising out of any insurance contracts where SRAPL is a beneficiary and proceeds from such insurance contracts and/or policies both present and future (along with “agreed bank clause” in favour of the Lender in a manner acceptable under Applicable Law); (ii) amounts or receivables in the nature of security deposits or advances in the nature of security deposits received by SRAPL whether in the ordinary course of its business or otherwise; and (iii) loans, advances, financial assistance made by SRAPL in its capacity as a lender, by way of agreements, loan agreements, deeds, letter of credit, guarantees, performance bonds and such other instruments.

“Moveable Properties” shall mean and refer to whole of the moveable properties of SRAPL, both present and future, which shall include uncalled capital, brands, goodwill of SRAPL and including all the intellectual property rights and properties belonging to SRAPL or held by any person and its moveable plant and machinery, stores and moveable spares including relating to plant and machinery (consumable stores and spares), stocks of raw material (movables), semi-finished goods, tools and accessories and other movables (both tangible and intangible), together with engines, electricals and other installations, implements, equipments, applications, furniture and fixtures, fittings, spare parts and other articles and things belonging to SRAPL or held by any person or persons to the order and dispositions of SRAPL in the course of transit whatsoever and wheresoever in the possession of SRAPL whether by way of additions or substitutions, both present and future whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereafter from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about any or all of SRAPL’s premises and godowns wherever the same be or be held by any party to the order or disposition of SRAPL or in the course of transit or on high seas or on order, or delivery, howsoever and wheresoever in the possession of such entity or to the order of such entity and either by way of substitution or addition relating to or pertaining to the aforesaid assets.

Part B- Pledged Shares

Shareholding of SRAPL in PHPL which is to be pledged as security for the Facility						
Pledgor/ Name of the shareholder	Name of the underlying company	Par Value (in Rs.) of the equity shares	No. of equity shares pledged	Percentage of shares pledged	DP ID	ISIN
Savarwadi Rubber Agro Private Limited (SRAPL)	Plaza Hotels Private Limited (PHPL)	10	2125000	13.87%	IN300079 10031870	INE825F01011

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Part C- Mortgaged Properties

All the right, title, interest, benefits and claims whatsoever of the SRAPL, both present and future, in, to, over or in respect of-

- (a) the SRAPL STP Property (as described hereinbelow), TOGETHER WITH all buildings, erections and constructions of every description which are erected, standing or attached or shall at any time thereafter during the continuance of the security hereby constituted be erected and standing or attached to the aforesaid lands and premises or any part thereof and all trees, fences, hedges, ditches, ways, sewerages, drains, waters, water courses, liberties, privileges, easements and appurtenances whatsoever to the aforesaid lands or any part thereof belonging to or in anywise appertaining or usually held, occupied, enjoyed therewith or reputed to belong or be appurtenant thereto; and
- (b) (i) all clearances, licenses, permits, approvals and consents obtained by the SRAPL, to the extent permitted under Applicable Law; (ii) all insurance contracts obtained by the SRAPL, together with all proceeds, monies, revenues and receivables in relation thereto or arising thereunder, both present and future; (iii) all the estate, benefit, property whatsoever of the SRAPL unto and upon the foregoing, both present and future in relation to the properties identified in sub-clause (a) above;

AND ALL the estate, right, title, interest, property, claims and demands whatsoever of the SRAPL into, over or in the same which description shall include all properties of the above description whether presently in existence, constructed or acquired hereinafter (hereinafter collectively referred to as **“the Mortgaged Properties”**).

For the purposes of the definition of the ‘Mortgaged Properties’, the term ‘SRAPL STP Property’ shall mean:

Property being all that piece and parcel of freehold and non-agricultural land bearing Survey No. 12, Hissa No. 11, CTS No. 84 admeasuring 348.40 sq. mtrs., now comprising of CTS No. 84A admeasuring 110.80 sq. mtrs. of Village Brahmanwada, Taluka Vile Parle, in the Registration District and Sub-District of Mumbai City and Mumbai Suburban, Vile Parle (East), Mumbai (**“STP Land”**) together with the structures standing thereon as mentioned in Approved Plan dated 24.05.2001 issued by Municipal Corporation of Greater Mumbai (after excluding the Land bearing CTS No. 84B admeasuring 237.60 sq. mtrs).

The STP Land is bounded as follows:

On or towards the East by: Partly by CTS No. 85, and partly by CTS No. 54;

On or towards the West by: A Road and CTS No. 76, Survey No. 12 Hissa No. 10;

On or towards the South by: CTS No. 87; and

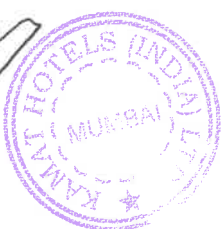
On or towards the North by: CTS No. 76.



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100% shareholding of SRAPL which is to be pledged as security for the Facility						
Name of the shareholders/ Pledgors	Name of the underlying company	Par Value (in Rs.) of the equity shares	No. of equity shares pledged	Percentage of shares pledged	Folio No.	Distinctive No.
Vithal V. Kamat	Savarwadi Rubber Agro Private Limited (SRAPL)	100	950	3.74%	1	1-950
Vidhya V. Kamat	Savarwadi Rubber Agro Private Limited (SRAPL)	100	24450	96.26%	2	951-24450
Total			25400	100.00%		

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SCHEME OF MERGER BY ABSORPTION
OF
SAVARWADI RUBBER AGRO PRIVATE LIMITED
(Formerly known as KAMATS AMUSEMENTS PRIVATE LIMITED)
(‘SRAPL’ OR ‘FIRST TRANSFEROR COMPANY’)
AND
TREEO RESORT PRIVATE LIMITED
(‘TRPL’ OR ‘SECOND TRANSFEROR COMPANY’)
AND
KAMAT HOTELS (INDIA) LIMITED
(‘KHIL’ OR ‘TRANSFeree COMPANY’)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTION 230 TO 232 AND THE OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013

(A) PREAMBLE

This Scheme of Merger by absorption / Amalgamation (“the Scheme”) is presented pursuant to the provisions of section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with section 2(1B) and other applicable provisions of the Income Tax Act, 1961 for amalgamation (merger by absorption) of SRAPL and TRPL into KHIL. This Scheme also provides various other matters consequential or otherwise integrally connected therewith.

(B) BACKGROUND OF COMPANIES

- I. **SRAPL** is an unlisted private limited company, bearing CIN: U70100MH1985PTC035803, was incorporated on March 29, 1985, having its registered address at KHIL HOUSE, 70 - C, NEHRU ROAD, VILE PARLE (EAST), MUMBAI - 400099. SRAPL currently does not carry out any major business operations. It holds 0.70% equity stake in KHIL



- II. **TRPL**, is an unlisted private limited company bearing CIN: U99999MH1993PTC073520, was incorporated on August 18, 1993, having its registered address at 70 - C, NEHRU ROAD, VILE PARLE (EAST), MUMBAI - 400099. TRPL currently does not carry out any major business operations.
- III. **KHIL**, is a listed public company bearing CIN: L55101MH1986PLC039307, was incorporated on March 21, 1986, having its registered address at 70 - C, NEHRU ROAD, NEAR SANTACRUZ AIRPORT, VILE PARLE (EAST), MUMBAI - 400099. Its shares are listed and traded on the Bombay Stock Exchange and National Stock Exchange in India. The Non- Convertible Debentures ("NCDs") of KHIL are listed on the Negotiated Trade Reporting Platform of National Stock Exchange. The Company is in the hospitality business. Currently, the Transferee Company operates a network of hotels across multiple locations in India.

(C) RATIONALE OF THE SCHEME

Both First and Second Transferor Companies and the Transferee Company are integral parts of the same group. The First Transferor Company is a part of the promoter and promoter group of the Transferee Company. However, neither of the Transferor Companies are engaged in significant business operations. The First Transferor Company owns a freehold land in Vile Parle East, Mumbai, which houses a Sewage Treatment Plant (STP) Unit utilized by the Transferee Company. The Transferee Company continues to utilize this property. The Second Transferor Company owns a non-agricultural land and building situated on Mumbai-Ahmedabad Highway in the village of Saye, Palghar District, Thane. The Management of the Transferee Company is of the view that the proposed merger by absorption/ amalgamation will enhance stakeholders' wealth and streamline the group's structure, resulting in improved administrative and operational efficiency. The immovable property of Second Transferor Company is expected to have a suitable Hotel and Hospitality business and also housing



facilities for the target customers desirous of owning a second or vacation home in Palghar District, Maharashtra, which is easily accessible to Mumbai and Vapi, Gujarat. Therefore, to simplify and enhance operational efficiency, it is proposed to restructure the group by merging the two Transferor Companies into the Transferee Company. A robust governance structure to ensure enhance compliances.

The key benefits of this Scheme are:

- (i) **Operational Synergies:** The merger of the Transferor Companies into the Transferee Company will streamline administrative processes leading to improved operational efficiency across the group.
- (ii) **Cost Savings:** Given that neither of the Transferor Companies is currently engaged in significant business operations, consolidating their operations into the Transferee Company will lead to substantial cost savings. This consolidation will reduce overheads, such as administrative expenses and regulatory compliance costs, resulting in improved cost efficiency for the combined entity.
- (iii) **Enhanced Utilization of Assets for Orchid Hotel, Mumbai:** The STP unit, which is presently situated on the land owned by the First Transferor Company, which is crucial for the Transferee Company's hotel business in Vile Parle, specifically The Orchid, Mumbai, will be seamlessly integrated into one organisation. This ensures continued efficient waste management operations for one of India's premier 5-star hotel brands. THE ORCHID, An Ecotel Hotel, is transferee company's most globally recognized brand, being Asia's first chain of a 5-star, environment-sensitive hotel, and it has garnered over 95 National & International awards by maintaining optimal environmental standards and infrastructure, The Orchid Mumbai, can uphold its reputation for luxury and sustainability, thereby enhancing its competitive edge in the hospitality market.
- (iv) **Expansion Opportunities:** The non-agricultural land owned by the Second Transferor Company presents significant expansion potential for the Transferee Company's hotel business. Its strategic location on



Mumbai-Ahmedabad Highway in Palghar District makes it ideal for future development projects, allowing for the expansion of hotel/resort facilities and services to meet growing market demands.

- (v) **Maximizing Shareholder Value:** The Merger by Absorption/ amalgamation is expected to enhance shareholders' wealth by consolidating assets and resources, thereby creating a stronger and more competitive entity within the hospitality industry.
- (vi) **Improved Financial Performance:** By rationalizing the group structure and optimizing resource allocation, the Transferee Company aims to achieve improved financial performance, including increased revenue and profitability. This is expected to improve the topline and bottom line of the Transferee Company going-forward.
- (vii) **Strategic Focus:** With a simplified group structure, the management of the Transferee Company can focus more effectively on core business activities, such as enhancing guest experiences, implementing innovative hospitality solutions, and pursuing strategic partnerships.
- (viii) **Risk Mitigation:** The consolidation of operations reduces the group's overall exposure to operational risks and regulatory complexities, ensuring better risk management, transparency and compliance, since the entire Sewage Treatment Plant, which is vital for the Orchid's Hotel business operations will be owned, operated and controlled as an integral asset of the Transferee's Hotel.

(D) PARTS OF THE SCHEME

This Scheme is divided into following parts:

- (i) **PART I** deals with Definitions of the terms used in this scheme and the Share Capital of all the Companies which are involved in the scheme; and
- (ii) **PART II** deals with amalgamation of the Transferor Companies with the Transferee Company;
- (iii) **PART III** deals with general terms and conditions applicable to this Scheme.



PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1. **"Act" or "The Act"** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for the time being in force;
- 1.2. **"Applicable Laws"** means any statute, notification, bye laws, rules, regulations, guidelines, circulars or common law, policy code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 1.3. **"Accounting Standards"** means the generally accepted accounting principles in India and Indian Accounting Standards as notified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time and to the extant in force and other relevant provisions of the Act;
- 1.4. **"Appropriate Authority"** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Official Liquidator, Company Law Board, Competition Commission of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, National Company Law Tribunal or any court, tribunal, board, bureau or instrumentality thereof or



arbitration or arbitral body having jurisdiction and such other sectoral regulators or authorities as may be applicable;

- 1.5. **“Appointed Date”** means April 01, 2024 or such other date as may be fixed or approved by the NCLT or such other competent authority;
- 1.6. **“Board of Directors” or “Board”** means the Board of Directors of the Transferor Companies or the Transferee Company as the case may be, and shall include a duly constituted committee thereof;
- 1.7. **“BSE or Bombay Stock Exchange”** means BSE Limited;
- 1.8. **“NSE”** means National Stock Exchange of India Limited;
- 1.9. **“Effective Date”** means the later of the dates on which the certified copy of the Order of the NCLT sanctioning the Scheme of Arrangement is filed by Transferor Companies and Transferee Company with the jurisdictional Registrar of Companies. References in this Scheme to date of "coming into effect of the Scheme" or "upon the Scheme becoming effective", or "effectiveness of the Scheme" and other similar expressions shall mean the Effective Date ;
- 1.10. **“KHIL” or Transferee Company”** means Kamat Hotels (India) Limited, a listed public limited company incorporated under the Companies Act, 1956, under the Corporate Identity Number L55101MH1986PLC039307 and having its registered office at 70 - C, Nehru Road, Near Santa Cruz Airport, Vile Parle (East), Mumbai – 400099;
- 1.11. **“NCLT” or “Tribunal”** means the National Company Law Tribunal at Mumbai as constituted and authorized as per the provisions of the Act or any other appropriate authority having jurisdiction to sanction the Scheme;
- 1.12. **“Parties”** means collectively, the Transferor Companies and the Transferee Company and the term **party** shall mean each of them individually;
- 1.13. **“Record Date”** means the date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of the Transferor Companies, which shall either be the Effective Date, or a date after the Effective Date, for the purpose of issue, allotment or cancellation of fully paid-up equity shares of the Transferee Company to the shareholders of the Transferor Companies pursuant to the Scheme;



- 1.14. **"Registrar of Companies" or "ROC"** means Registrar of Companies, Mumbai, Maharashtra;
- 1.15. **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement amongst Savarwadi Rubber Agro Private Limited and Treeo Resort Private Limited and Kamat Hotels (India) Limited and their respective shareholders and creditors, in its present form as submitted to the National Company Law Tribunal or this Scheme with such modification(s), if any made, as per Clause 16 of the Scheme;
- 1.16. **"SEBI"** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.17. **"SEBI Circular"** means the master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023;
- 1.18. **"SRAPL or First Transferor Company"** means Savarwadi Rubber Agro Private Limited, a private limited company incorporated under the Companies Act, 1956, under the Corporate Identity Number U70100MH1985PTC035803 and having its registered office at KHIL HOUSE, 70 - C, Nehru Road, Vile Parle (East), Mumbai - 400099.
- 1.19. **"Stock Exchanges"** means the BSE and NSE, where the shares of the transferee company are listed;
- 1.20. **"Transferor Companies"** means the Transferor Companies collectively;
- 1.21. **"Taxation" or "Tax" or "Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contribution and levies and whether levied by reference to income, profit, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax, minimum alternate tax credit or otherwise or attributable directly or primarily to Transferor Companies and Transferee Company, as the case may be or any other person and all penalties, charges, costs and interest relating thereto;
- 1.22. **"TRPL or Second Transferor Company"** means Treeo Resort Private Limited, a private limited company incorporated under the Companies Act, 1956, under



the Corporate Identity Number U99999MH1993PTC073520 and having its registered office at 70 - C, Nehru Road, Vile Parle (East), Mumbai - 400099.

1.23. **"Transferor Companies"** means all the Transferor Companies collectively referred (i.e. First Transferor Company and the Second Transferor Company) and the term **"Transferor Company"** means any of the Transferor Company as the context may require.

1.24. **"Undertaking"** means the whole of the undertaking and entire business of the Transferor Companies as a going concern, including (without limitation):

- I. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Companies, including but not limited to land (freehold/leasehold), plant and machinery, equipment, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipment, appliances, accessories, depots, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units), and interests, cash balances or deposits with banks, loans, advances, disbursements, contingent rights or benefits, book debts, receivables, actionable claims, insurance claims, insurance policies, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, licenses, fixed and other assets, trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, know how, goodwill, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, subsidiaries, joint ventures, associates, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including tax benefits), easements,



privileges, liberties, mortgages, hypothecations, pledges or other security interests created in favour of the Transferor Companies and advantages of whatsoever nature and wheresoever situated in India or abroad, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies, whether in India or abroad;

- II. All liabilities including, without being limited to, secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations of the Transferor Companies, of every kind, nature and description whatsoever and how so ever arising, raised or incurred or utilised;
- III. All agreements, rights, contracts, entitlements, permits, licenses, approvals, authorizations, concessions, consents, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies;
- IV. All records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to the business activities and operations of the Transferor Companies;
- V. All permanent employees engaged by the Transferor Companies as on the Effective Date.
- VI. All quotas, rights, entitlements, export/import incentives and benefits including advance licenses, MEIS, all kinds of duty drawbacks, bids, tenders



(at any stage as it may be), letters of intent, expressions of interest, development rights (whatever vested or potential and whether under agreements or otherwise), subsidies, tenancies in relation to office, benefit of any deposits / privileges, all other rights, receivables, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, including technological licensing agreements, and benefits including but not limiting to all other interests in connection with or relating thereto;

- VII. All brand names, trademarks, trade names, patents and domain names, the intellectual property, if any, and all other interests exclusively relating to the goods or services being dealt with by the Transferor Companies;

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

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or made as per Clause 15 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1 The Authorised, Issued, Subscribed and Paid-up share capital of the First Transferor Company as on the date of approval of this scheme by the Board of Directors of the first Transferor Company is as under:



Share Capital	Amounts in Rs.
Authorized Share Capital	
26,380 Equity Shares of Rs.100/- each	26,38,000
73,620 Non-cumulative 1% Redeemable Preference Shares of Rs. 100/- each	73,62,000
TOTAL	1,00,00,000
Issued, Subscribed and Paid-up Share Capital	
25,400 Equity Shares of Rs. 100/- each, fully paid up	25,40,000
TOTAL	25,40,000

The First Transferor Company forms part of the promoter and promoter group entities and holds 2,05,128 Equity Shares of Rs. 10/- each representing 0.70% of the total paid up equity share capital of the Transferee Company.

- 3.2 The Authorised, Issued, Subscribed and Paid-up share capital of the Second Transferor Company as on the date of approval of this Scheme by the Board of Directors of the second Transferor Company is as under:

Share Capital	Amounts in Rs.
Authorized Share Capital	
75,000 Equity Shares of Rs. 100/- each.	75,00,000
TOTAL	75,00,000
Issued, Subscribed and Paid-up Share Capital	
75,000 Equity Shares of Rs. 100/- each, fully paid up	75,00,000
TOTAL	75,00,000



- 3.3 The Authorised, Issued, Subscribed and Paid-up share capital of the Transferee Company as on the date of approval of this Scheme by the Board of Directors of the Transferee Company is as under:

Share Capital	Amounts in Rs.
Authorized Share Capital	
3,42,50,000 Equity Shares of Rs. 10 each.	34,25,00,000
TOTAL	34,25,00,000
Issued, Subscribed and paid-up Share Capital	
2,68,85,826 Equity Shares of Rs. 10 each, fully paid-up	26,88,58,260
TOTAL	26,88,58,260

Note:

- Outstanding Warrants:** There are 25,94,246 unexercised outstanding warrants held by the Non-Promoter Group, valid for conversion up to August 23, 2024. The exercise of these warrants may result in an increase in the issued, subscribed, and paid-up capital of the Transferee Company, subject to the terms and conditions of the warrant issuance.
- Fully Diluted Paid-Up Share Capital:**
 - **Pre-Merger:** Considering the outstanding warrants, the paid-up share capital on a fully diluted basis, pre-merger, will stand at ₹29,48,00,720, consisting of 2,94,80,072 equity shares having a face value of ₹10 each.
 - **Post-Merger:** Taking into account the outstanding warrants and the issuance of 43,42,872 equity shares to the shareholders of the transferor companies pursuant to clause 5 of the scheme (after accounting for the cross-holdings of 2,05,128 equity shares held by the first transferor company in the transferee company), the paid-up share capital on a fully diluted basis, post-merger, will stand at ₹33,82,29,440, consisting of 3,38,22,944 equity shares having a face value of ₹10 each.



PART II

AMALGAMATION OF TRANSFEROR COMPANIES WITH TRANSFeree COMPANY

4 TRANSFER AND VESTING

- 4.1 With effect from the Appointed Date, the entire business(es) and whole of the undertaking of the First and Second Transferor Companies including all properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, permits, trademarks, quotas, investments, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, title, interest, certificates, registrations under various legislations, contracts, consent, approvals or powers of every kind nature and descriptions whatsoever shall under the applicable provisions of the Act and pursuant to the orders of the Tribunal and without any further act, instrument or deed, but subject to the existing charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.
- 4.2 Without prejudice to Clause 4.1 above, in respect of such of the assets of both the Transferor Companies as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Companies, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the Transferee Company by way of physical delivery or novation. The investments held in dematerialized form will be transferred to the Transferee Company by issuing appropriate delivery instructions to the depository participant with whom the Transferor Companies have an account. Such delivery and transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of the Transferee Company and the Transferor Companies, being a date after the sanction of the Scheme by the Tribunal.
- 4.3 The moveable assets, other than those specified in this Clause 4.2 above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits including deposits paid in relation to outstanding



litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of the Transferee Company. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realize the same is in substitution of the right of the Transferor Companies and that appropriate entry should be passed in their respective books to record the aforesaid charges.

- 4.4 Without prejudice to any of the Clauses above, with effect from the Appointed Date and upon the Scheme becoming effective, all immoveable properties, including land together with buildings and structure standing thereon, whether freehold or leasehold, relating to any of the Transferor Companies and any documents of title, rights, interests, claims, including leases, licenses and easements in relation thereto, shall, pursuant to the applicable provisions of the Act and the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested into the Transferee Company, as of the Appointed Date. The mutation of the title to the immoveable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favor of the Transferee Company.
- 4.5 The transfer and vesting as aforesaid shall be subject to the existing charges/ hypothecation/ mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Companies are a party wherein the assets of the Transferor Companies have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the First and Second Transferor Companies and vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company.



- 4.6 Provided that the Scheme shall not operate to enlarge the security for the said liabilities of both the Transferor Companies which shall vest in Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further, or additional security thereof after the merger by absorption has become effective or otherwise. The transfer/ vesting of the assets of the Transferor Companies as aforesaid shall be subject to the existing charges/ hypothecation/ mortgages over or in respect of the assets or any part thereof of the Transferor Companies.
- 4.7 All debts, liabilities, duties and obligations of whatsoever nature of both the Transferor Companies shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of sections 230 to 232 and all the other applicable provisions of the Act, so as to become the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which debts, liabilities, duties and obligations liabilities have arisen, in order to give effect to the provisions of this Clause.
- 4.8 The Transferee Company may at any time after the coming into effect of the Scheme in accordance with the provisions of the Scheme, if so required, under any law or otherwise, execute Deeds of Confirmation, in favour of the creditors of the Transferor Companies or in favour of any other party to any contract or arrangement to which the Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the First and Second Transferor Companies and to implement or carry out all such formalities or compliance referred to above on the part of the Transferor Companies to be carried out or performed.
- 4.9 With effect from the Appointed Date and upon the Scheme becoming effective, all development rights, statutory licenses, permissions, approvals or consents, if any, to carry on the operations and business of both the Transferor Companies shall stand vested in or transferred to the Transferee Company without any



further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

- 4.10 All taxes (including but not limited to disputed tax demands, advance tax, tax deducted at source, minimum alternate tax credits, dividend distribution tax, securities transaction tax, value added taxes, service tax, etc.) payable by or refundable to any of the Transferor Companies, included all or any refunds or disputed tax demands, if confirmed, or claims shall be treated as the tax liability or refund/claims, as the case may be, of Transferee Company. Any incentive, advantage, exemptions, other benefits, as would have been available to Transferor Companies, shall, be available to Transferee Company.
- 4.11 This part of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under section 2(1B) 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 of the Income Tax Act, 1961, 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, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

5 ISSUE OF SHARES BY TRANSFEE COMPANY

- 5.1 Upon this Scheme becoming effective and in consideration for merger by absorption of the Transferor Companies with the Transferee Company, the Transferee Company shall without any further application or deed, issue and allot shares, credited as fully paid-up, to the extent indicated below to the shareholders of the Transferor Companies, holding fully paid-up equity shares and whose name appear in the register of members on the Effective Date (other than the Transferee Company or any of the Transferor Companies) or to such of their respective heirs, executors, administrators or other legal representatives or



other successors in title as may be recognized by the respective Board of Directors, in the following proportion:

On merger of First Transferor Company

120 (One Hundred Twenty) fully paid-up equity shares of Rs.10/- (Rupees Ten only) each of the transferee company shall be issued and allotted at par for every 1(One) fully paid-up Equity share of Rs. 100/- (Rupees One Hundred only) each held by the members of the First Transferor Company”.

On merger of Second Transferor Company

20 (Twenty) fully paid-up equity shares of Rs.10/- (Rupees Ten only) each of the transferee company shall be issued and allotted at par for every 1(One) fully paid-up Equity share of Rs. 100/- (Rupees One Hundred only) each held by the members of the second Transferor Company”.

- 5.2 No equity shares shall be issued in respect of fractional entitlements, if any, by the Transferee Company, to the members of Transferor Companies at the time of issue and allotment of equity shares under Clause 5.1.
- 5.3 The equity shares to be issued by the Transferee Company pursuant to Clause 5.1 above shall be issued in DEMAT only.
- 5.4 The equity shares to be issued by the Transferee Company to the shareholders of the First Transferor Company shall be subject to the Scheme and the Memorandum and Articles of Association of the Transferee Company.
- 5.5 The Transferee Company shall take necessary steps to increase or alter or re-classify, (if necessary), its Authorized Share Capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under clause 5.1 of this Scheme.
- 5.6 Approval of this Scheme by the shareholders of the Transferee Company shall be considered adequate compliance of the provisions of Section 62 of the Companies Act, 2013, and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Companies, as provided in this Scheme.
- 5.7 The approval of this Scheme by the shareholders of the Transferee Company under the Act shall be deemed to have the approval under Sections 13, 14 and



other applicable provisions of the Act and the relevant provisions in the Articles of Association of the Transferee Company and any other consents and approvals required in this regard.

6 CANCELLATION / REDUCTION OF SHARE CAPITAL OF TRANSFEE COMPANY

- 6.1 Since the First Transferor Company legally and beneficially owns 2,05,128 Equity Shares of Rs. 10/- each of the Transferee Company thereby aggregating to 0.70% of the total issued, subscribed and paid-up equity share capital of the Transferee Company, upon the Scheme becoming effective, all the equity shares held by the First Transferor Company in the Transferee Company shall stand cancelled and extinguished on and from the effective date, as an integral part of the Scheme and accordingly, the aforesaid equity shares held in DEMAT form in the Transferee Company held by the First Transferor Company shall stand cancelled and shall be deemed to be cancelled without any further act or deed.
- 6.2 Upon Scheme becoming effective, the investment in the Transferee Company as appearing in the books of First Transferor Company shall stand cancelled.
- 6.3 The cancellation and reduction of the share capital shall be effected as an integral part of the Scheme itself and the order of National Company Law Tribunal sanctioning the Scheme shall be deemed to be an order under the provisions of Section 66 of Companies Act, 2013 for confirming the reduction of share capital and no separate procedure shall be followed under the Act. The reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment to any of the paid-up share capital. The Transferee Company will be exempted from adding the words "and reduced" to its name as the last words under Section 66 of the Companies Act, 2013.

7 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

- 7.1 Upon this Scheme becoming effective on the Effective Date, the Merger by Absorption/Amalgamation of the Transferor Companies with the Transferee Company shall be accounted for in accordance with the applicable provisions of



the Act; Accounting Standards prescribed under Section 133 of the Act; and Generally Accepted Accounting Principles in India (Indian GAAP), as the case may be. The Transferee Company shall give effect of this Scheme in its Books of Accounts in accordance with accounting prescribed under "Pooling of Interest" method in the Indian Accounting Standard (Ind AS) 103- Business Combinations as notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standard) Rules, 2015, as amended. Notwithstanding anything above, the Transferee Company, in consultation with their statutory auditors, are authorised to account for this Scheme and effect thereof in any manner whatsoever as may be deemed fit in accordance with applicable accounting standards.

- 7.2 Transferee Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Transferor Companies (as appearing in the books of accounts of respective Transferor Companies at the close of business on the day preceding the Appointed Date) as vested in Transferee Company, at the respective book values thereof.
- 7.3 If and to the extent there are inter-corporate loans, advances, deposits or balances as between the Transferor Companies and the Transferee Company inter-se, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and corresponding suitable effect shall be given in the books of accounts and records of the Transferee Company. Further for the removal of doubts, it is clarified that from the Appointed Date there would be no accrual of interest or other charges in respect of any deposits / loans and advances balances and obligations between and amongst the Transferor Companies and the Transferee Company.
- 7.4 The share capital of the Transferor Companies held by the Transferee Company or the share capital of the Transferee Company held by the Transferor companies or the share capital held by the Transferor Companies inter-se shall, upon this Scheme becoming effective, automatically stand cancelled with effect from the Appointed Date.



- 7.5 The face value of equity shares issued by the Transferee Company to the shareholders of the Transferor Companies will be recorded as equity share capital of the Transferee Company.
- 7.6 The identity of the reserves of the Transferor Companies, if any and to the extent deemed appropriate by the Board of Directors, shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Companies. Accordingly, if there is any reserve in the financial statements of the Transferor Companies available for distribution whether as bonus shares or dividend or otherwise, the same would also be available in the financial statements of the Transferee Company for such distribution.
- 7.7 Upon the Scheme becoming effective, the difference, if any, between the value of total assets and total liabilities as recorded in the Transferee Company, pursuant to Clause 7.2 above, after adjusting for the face value of equity shares issued pursuant to Clause 7.5 above, and after adjusting the inter-company balance, pursuant to Clause 7.3 above and after adjusting for the treatment of reserves in Clause 7.6 above, shall be recorded as and credited to or debited to the Capital Reserve Account, as the case may be.
- 7.8 In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, impact of the same till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles, so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- 7.9 All costs and expenses incurred whether of the Transferor Companies or of the Transferee Company, incidental with the finalization of this Scheme and to put it into operation, including all advisory fees and charges and expenses attributable to implementation of this Scheme, shall be borne by the Transferee Company and adjusted in the books of the Transferee Company on completion of this Scheme.



8 MODIFICATIONS IN THE MEMORANDUM OF ASSOCIATION OF THE TRANSFeree COMPANY

AGGREGATION OF AUTHORISED SHARE CAPITAL

- 8.1 Upon the Scheme becoming effective and with effect from the appointed date, the authorised share capital of Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the addition of the authorised share capital of the First and Second Transferor Companies as on the Effective Date.
- 8.2 Consequent upon the amalgamation, the authorised share capital of the Transferee Company will be as under:

Share Capital	Amounts in Rs.
Authorized Share Capital	
3,52,63,800 Equity Shares of Rs. 10/- each	35,26,38,000
73,620 Non-Cumulative 1% Redeemable Preference Shares of Rs. 100/- each	73,62,000
TOTAL	36,00,00,000

- 8.3 The Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended and no future resolutions under section 13, 14, 61, 62, 64 and any other applicable provisions of the Companies Act, 2013 would be required to be separately passed. The Memorandum of Association and Articles of Association of Transferee Company shall be amended as may be required to give effect to this clause.
- 8.4 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act.



9 CONDUCT OF BUSINESS TILL EFFECTIVE DATE

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

- 9.1 Both the Transferor Companies shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for the Transferee Company. The Transferor Companies undertake to hold their said assets with utmost prudence until the Effective Date.
- 9.2 Both the Transferor Companies shall carry on their business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any business or part thereof.
- 9.3 All the profits or income accruing or arising to the First and Second Transferor Companies or expenditure or losses arising or incurred or suffered by the said Transferor Companies shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- 9.4 The First and Second Transferor Companies shall not vary the terms and conditions of employment of any of the employees of the Transferor Companies, except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by them, as the case may be, prior to the Appointed Date.
- 9.5 The First and Second Transferor Companies and the Transferee Company shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

10 TREATMENT OF EMPLOYEES

- 10.1 Upon the Scheme becoming Effective, all staff, workmen and employees of both the Transferor Companies, who are in service as on the Effective Date shall



become staff, workmen and employees of the Transferee Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to their employment with the Transferor Companies on the Effective Date. The Transferee Company agrees that the services of all such employees with both the Transferor Companies, up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date.

- 10.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff, workmen and employees of both the Transferor Companies shall, with the approval of the concerned authorities, become Funds of the Transferee Company, or shall be transferred to or merged with other similar funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all 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 staff, workmen and employees will be treated as having been continuous for the purpose of the said Funds.

11 LEGAL PROCEEDINGS

If any suit, action, appeal or other proceeding of whatsoever nature by or against the First and Second Transferor Companies is pending on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal 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 this Scheme had not been made.



12 CONTRACTS, DEEDS AND OTHER ENTITLEMENTS ETC.

- 12.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the Transferor Companies, which is subsisting as on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the both the Transferor Companies, the Transferee Company had been a party or beneficiary thereto.
- 12.2 The Transferee Company and/ or both the Transferor Companies shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangements, confirmations or novations in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

13 SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Transferor Companies under Clause 10 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by on behalf of the Transferee Company.

14 DISSOLUTION OF THE TRANSFEROR COMPANIES

On the Scheme becoming effective, the First and Second Transferor Companies shall stand dissolved automatically without winding up in accordance with the provisions.



PART III

GENERAL TERMS AND CONDITIONS

15 APPLICATION TO THE TRIBUNAL

The Transferee Company and the First and Second Transferor Companies as may be directed by the Tribunal shall make all necessary application and petition, either singly or jointly, under applicable provisions of the Act, for seeking approval of the Scheme.

16 MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferee Company and both the Transferor Companies by their respective Boards of Directors ('the Board, which term shall include Committee thereof) may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Tribunal and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate, subject to approval of Tribunal, as a result of subsequent events or otherwise by them (i.e. the Board). The Transferee Company and the Transferor Companies by their respective Board are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

17 CONDITIONALITY OF THE SCHEME

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

- 17.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and/or creditors of the Transferee Company and both the Transferor Companies as may be directed by the jurisdictional Tribunal.
- 17.2 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.



- 17.3 The Scheme being sanctioned by the Tribunal under the applicable provisions of the Act.
- 17.4 The certified copy of the Order of the Tribunal sanctioning the Scheme is filed with the jurisdictional Registrar of Companies, by the Transferee Company and both the Transferor Companies.
- 17.5 As Para 10 of the SEBI Master Circular dated June 20, 2023 is applicable to this Scheme, it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders in relation to the said Resolution. Further, as per the said para, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

18 EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the Tribunal or such other competent authority and/ or the Order not being passed as aforesaid before within such further period or periods as may be mutually agreed upon between the Transferee Company and the Transferor Companies by their respective Board of Directors (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

19 EXPENSES CONNECTED WITH THE SCHEME

- 19.1 Save and except as provided elsewhere in the Scheme, all costs, charges, taxes including duties, levies and all other expenses including registration fee of any deed, in relation to or in connection with negotiations leading upto the Scheme and of carrying out and implementing the terms and provisions of this Scheme



and incidental to the completion of the Scheme shall be borne and paid by the Transferee Company.

- 19.2 In the event that this Scheme fails to take effect or the scheme is revoked in terms of Clause 17 of this Scheme then, the Transferee Company and both the Transferor Companies shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

20. **INFORMATION AS PER SEBI CIRCULAR SEBI/HO/DDHS/DDHS_DIV1/P/CIR/2022/0000000103 DATED JULY 29, 2022 UPDATED AS ON DECEMBER 01, 2022 ("SEBI OPERATIONAL CIRCULAR").**

As per Chapter XII PART-I PARA-A (11) SEBI Operational Circular the listed entity shall disclose the following information in the draft scheme of arrangement including but not limited to:

➤ Face Value – 57,983/-

➤ Dividend / Coupon:

Coupon rate: 14% p.a.;

Frequency: Quarterly Payment;

Redemption date – January 24, 2027;

Redemption amount: As per the summary term sheet mentioned at point no. 28 of this Placement Memorandum,

Debenture trustee – Catalyst Trusteeship Limited

➤ Credit Rating: "Provisional C" from Acuité Ratings & Research Limited

➤ Tenure/ Maturity: 48 months

➤ Redemption (Original Terms):

Terms of Redemption and Amount: The Debentures will be redeemed on the day of maturity of the Debentures as mentioned below:

- No principal repayment for the 1st six months
- ₹ 30 crore at the end of 12 months
- ₹ 20 crore at the end of 18 months
- ₹ 20 crore at the end of 24 months
- ₹ 20 crore at the end of 30 months
- ₹ 20 crore at the end of 36 months
- ₹ 20 crore at the end of 42 months
- ₹ 167.5 crore at the end of 48 months



In case of any prepayment as permitted under this term sheet, the amount shall be adjusted against the immediate upcoming principal obligation and the balance, if any, shall be adjusted against the repayment obligation of the 48th month and so on.

In case if the Redemption Date falls on a day, which is not a Business Day, then the payment shall be made on the immediately preceding Business Day.

Redemption premium/ discount: The Borrower shall pay certain amounts to the Investors (herein called the "**Redemption Premium**"), based on its performance such that IRR on the NCDs considering Repayment, Initial Coupon and Redemption Premium shall be as per the table below:

Cumulative EBITDA*	IRR equal to
< 600	20.0%
>= 600 and < 650	20.5%
>= 650 and <700	21.0%
>= 700	21.0% + 0.5% on each incremental block of cumulative ₹ 50 crore EBITDA

*Cumulative EBITDA = Sum of total EBITDA of the Company generated during the Investment Tenor

Definitions in the above formula shall be finalized as part of the definitive agreements. The Redemption Premium shall be payable simultaneously with or before redemption of the Facility as per the terms of the definitive agreements.

For example, if the Company generates cumulative EBITDA of ₹ 790 crore, then the IRR on the NCDs will be 22.0% [i.e. 21.0% + (2*0.5%)]

- Safeguards for the protection of holders of NCDs/ NCRPS: There will be no impact on the debenture holders of the company pursuant to the scheme. The current debenture holders will continue to be served by KHIL on exactly the same terms and conditions until they are fully repaid, thereby adequately safeguarding the NCD holders.
- Exit offer to the dissenting holders of NCDs/ NCRPS, if any: Since the scheme does not impact the NCD holders, the current debenture holders will continue to be served by KHIL on exactly the same terms and conditions until they are fully repaid. Therefore, there is no need for an exit opportunity.
- Other embedded features (put option, call option, dates, notification times, etc.): Investor shall have a put option on Issuer to seek the redemption of NCDs after 2 years from the date of disbursement. For which the intended party needs to give a 21 day notice specifying its intention to do so.



- Latest audited financials along with notes to accounts and any audit qualifications. (Financial statements should not be later than six months prior to the date of listing):- *The latest audited financials along with notes to accounts and any audit qualifications shall be disseminated to the Company's Website simultaneously submitted to the Stock Exchanges.*
- An auditors' certificate certifying the payment/ repayment capability of the resultant entity: *The auditors' certificate certifying the payment/ repayment capability of the resultant entity shall be disseminated to the Company's Website simultaneously submitted to the Stock Exchanges.*
- Fairness report as mentioned in para 2(c) of SEBI Operational Circular: *The fairness report shall be disseminated to the Company's Website simultaneously submitted to the Stock Exchanges.*

