

SCHEME OF AMALGAMATION AND ARRANGEMENT

OF

COMPETENT HOTELS PRIVATE LIMITED

AND

DIVINE HERITAGE HOTELS PRIVATE LIMITED

AND

HOLIDAY ON HILLS RESORTS PRIVATE LIMITED

WITH

MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED

AND

THEIR SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 READ WITH SECTION 52 OF THE COMPANIES ACT, 2013 AND SECTIONS 100 TO 104 OF THE COMPANIES ACT, 1956

This Scheme of Amalgamation and Arrangement (the "Scheme") is presented under Sections 391 to 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 (including any statutory modification or re-enactment or amendment thereof) for amalgamation of Competent Hotels Private Limited and Divine Heritage Hotels Private Limited and Holiday on Hills Resorts



Certified True Copy

For Mahindra Holidays & Resorts India Ltd


Dinesh Shetty
Head - Legal & Company Secretary

Private Limited (collectively referred to as "Transferor Companies") with Mahindra Holidays & Resorts India Limited.

A. Description of Companies

Transferee Company

- (a) Mahindra Holidays & Resorts India Limited ("MHRIL" or "Transferee Company") is a listed company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Mahindra Towers, 2nd floor, No. 17/18, Patullos Road, Chennai – 600 002, Tami Nadu. Transferee Company is a leading player in vacation ownership business and a part of the leisure and hospitality sector of the Mahindra Group.

Transferor Companies

- (a) Competent Hotels Private Limited ("CHPL" or "the Transferor Company 1") is a private limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Unit No. 873, 8th Floor, Aggarwal Cyber Plaza II, Plot No. C-7, Netaji Subhash Place, Pitampura, New Delhi – 110034. The Transferor Company 1 is a wholly owned subsidiary of the Transferee Company and is in the business of operating a resort/hotel in Manali, Himachal Pradesh.
- (b) Divine Heritage Hotels Private Limited ("DHHPL" or "the Transferor Company 2") is a private limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at No. 24, 25 & 26, Mahindra Towers, Durga Vihar Colony, Tonk Road, Jaipur - 302018. The Transferor Company 2 is a wholly owned subsidiary of the Transferee Company and is in the business of operating a resort/hotel in Jaisalmer, Rajasthan.
- (c) Holiday on Hills Resorts Private Limited ("HHRPL" or "the Transferor Company 3") is a private limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Village Sicharateh Kandaghat, Solan district, Himachal Pradesh - 173215. The Transferor Company 3 is a wholly owned subsidiary of the Transferee Company and is in the business of operating a resort/hotel in Kandaghat, Himachal Pradesh.

B. Rationale and Purpose of the Scheme

To consolidate the hotel and resorts business in a single entity which will provide synergy benefits, attain efficiencies and reduce overall cost, it is intended that the Transferor Companies should merge into the Transferee Company. The Scheme also



provides for the consequent reorganization of securities premium of the Transferee Company.

The amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:

- i) Enable creation of a larger entity and derive optimal management and synergy benefits;
- ii) Result in business synergies besides economies in cost by combining all the functions, related activities and operations and benefits in the form of managerial and technical expertise;
- iii) Greater integration and flexibility for the amalgamated entity and strengthening position in the industry, in terms of the asset base, revenues, product and service range;
- iv) Enable cost saving, pooling of managerial skills and optimum utilization of valuable resources which will enhance the management focus thereby leading to higher operational efficiency and enhancing shareholders' value.

In view of the aforesaid, the Board of Directors of the Transferor Companies as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Companies with the Transferee Company in order to benefit the stakeholders of the said companies. Accordingly, the Board of Directors of the Transferor Companies and the Transferee Company have formulated this Scheme for the transfer and vesting of the entire business of the Transferor Companies with and into the Transferee Company pursuant to the provisions of Section 391 to Section 394 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 (including any statutory modification or re-enactment or amendment thereof).

This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

For sake of convenience this Scheme is divided into following parts:

Part A dealing with definitions and share capital;

Part B dealing with amalgamation of the Transferor Company 1 with the Transferee Company;

Part C dealing with amalgamation of the Transferor Company 2 with the Transferee Company;



Part D dealing with amalgamation of the Transferor Company 3 with the Transferee Company;

Part E dealing with general terms and conditions.

Part B, C and D of the Scheme are independent and severable to each other.

PART A

1. DEFINITIONS

1.1. In this Scheme, unless repugnant to or inconsistent with the subject or context thereof, the following expressions shall have the following meanings:

1.1.1. **"Act"** means the Companies Act, 1956, as applicable, and rules and regulations made thereunder and shall include any statutory modification or amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme by the Board of Directors of the Transferor Companies and the Transferee Company, Sections 100 to 104 and Sections 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, unless a different intention appears, be construed as reference to the provisions so re-enacted;

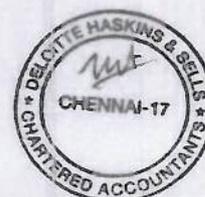
1.1.2. **"Appointed Date"** means the April 01, 2015 or such other date as the High Court may direct;

1.1.3. **"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;

1.1.4. **"CHPL"** or **"the Transferor Company 1"** means Competent Hotels Private Limited, a company incorporated under the provisions of the Act and having its registered office at Unit No. 873, 8th Floor, Aggarwal Cyber Plaza II, Plot No. C-7, Netaji Subhash Place, Pitampura, New Delhi – 110034;

1.1.5. **"DHHPL"** or **"the Transferor Company 2"** means Divine Heritage Hotels Private Limited, a company incorporated under the provisions of the Act and having its registered office at No. 24, 25 & 26, Mahindra Towers, Durga Vihar Colony, Tonk Road, Jaipur - 302018;

1.1.6. **"Effective Date"** means the last of the dates on which the certified or



authenticated copies of the orders of the High Court of Delhi, Rajasthan, Himachal Pradesh and Madras are filed with the Registrar of Companies, Delhi, Rajasthan, Himachal Pradesh and Tamil Nadu respectively;

Any references in this Scheme to "upon this Scheme becoming effective" or "upon coming into effect of this Scheme" or "upon the Scheme coming into effect" shall be construed to be a reference to the Effective Date; provided however, that such references shall not affect the deemed taking into effect of certain parts of this Scheme, whether prior to, or after, other parts of this Scheme, as specifically contemplated herein.

- 1.1.7. **"HHRPL" or "the Transferor Company 3"** means Holiday on Hills Resorts Private Limited, a company incorporated under the provisions of the Act and having its registered office at Village Siharateh Kandaghat, Solan district, Himachal Pradesh - 173215;
- 1.1.8. **"Governmental Authority"** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- 1.1.9. **"High Court(s)"** means either the High Court of Delhi or High Court of Rajasthan or High Court of Himachal Pradesh or High Court of Madras or all these High Courts and shall include the National Company Law Tribunal, or any other similar judicial body, if applicable;
- 1.1.10. **"MHRIL" or "Transferee Company"** means Mahindra Holidays & Resorts India Limited, a company incorporated under the provisions of the Act and having its registered office at Mahindra Towers, 2nd floor, No. 17/18, Patullos road, Chennai – 600002, Tami Nadu.
- 1.1.11. **"New Act"** means the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modification or amendments or re-enactment thereof for the time being in force.
- 1.1.12. **"Scheme" or "the Scheme" or "this Scheme" or "Scheme of Amalgamation"** means this Scheme of Amalgamation and Arrangement in its present form or with any modification(s) made under Clause 22 of this Scheme or any modifications approved or directed by the High Court(s) or any other Government Authority;
- 1.1.13. **"Stock Exchanges"** means National Stock Exchange of India Limited and BSE Limited;



1.1.14. **“Transferor Companies”** means collectively CHPL, DHHPL and HHRPL

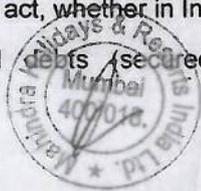
1.1.15. **“Undertaking”** shall mean the entire business and the whole of the undertaking of the Transferor Companies as a going concern, all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not in any way limited to, the following:

- (a) 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, without being limited to, land, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including but not limited to lease rights of the Transferor Companies), 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 or licenses in relation to the office and/or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, 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, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), tax holiday benefit, incentives, credits (including tax credits), Minimum Alternate Tax Credit entitlement (“MAT Credit”), tax losses, easements, privileges, liberties and advantages of whatsoever nature and



wheresoever situate 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.

- (b) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, 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 business activities and operations.
- (c) All intellectual property rights, records, files, papers, computer programs, manuals, data, catalogues, sales material, lists of present and former customers and suppliers, other customer information and all other records and documents, whether in physical or electronic form, relating to the Transferor Companies business activities and operations.
- (d) Amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.
- (e) Right to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental Authority, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.
- (f) All debts (secured and unsecured), liabilities including contingent



liabilities, duties, leases of the Transferor Companies and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised. Provided that, any reference in the security documents or arrangements entered into by the Transferor Companies and under which, the assets of the Transferor Companies stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Companies only as are vested in the Transferee Company by virtue of the Scheme.

- (g) All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise.

The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meanings ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be including any statutory modification or re-enactment or amendment thereof.

2. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or any other Governmental authority under Clause 22 of the Scheme shall be effective from the Appointed Date but shall become operative only from the Effective Date.

The amalgamation of the Transferor Companies with the Transferee Company shall be in accordance with Section 2(1B) of the Income-tax Act, 1961.

3. SHARE CAPITAL

- 3.1. The share capital structure of the Transferee Company as per the last audited accounts for the year ended as on March 31, 2014 is as under:



Particulars	Amount in Rs
Authorised	
100,000,000 equity shares of Rs. 10/- each	1,000,000,000
Total	1,000,000,000
Issued, subscribed and paid up	
88,780,856 equity shares of Rs. 10/- each fully paid	887,808,560
Less: 756,683 equity shares of Rs. 10/- each fully paid up issued to the Transferee Company employees' stock option trust but not exercised by employees	(7,566,830)
Total	880,241,730

Subsequent to March 31, 2014 and up to the date of approval of this Scheme by the Board of the Transferee Company, there has been no change in the Share Capital of the Transferee Company.

- 3.2. The share capital structure of the Transferor Company 1 as per the latest audited balance sheet as on March 31, 2014 is as under:

Particulars	Amount in Rs
Authorised	
350,000 Equity Shares of Rs. 100/- each	35,000,000
150,000 14% Non-Cumulative Redeemable Preference Shares of Rs.100/- each	15,000,000
Total	50,000,000
Issued, subscribed and paid up	
308,300 Equity Shares of Rs. 100/- each	30,830,000
Total	30,830,000

Subsequent to March 31, 2014, and up to the date of approval of this Scheme by the Board of the Transferor Company 1, there has been no change in the share capital of the Transferor Company 1. Further, the entire paid up equity share capital of the



Transferor Company 1 is held by the Transferee Company (i.e. the Transferor Company 1 is a wholly owned subsidiary of the Transferee Company).

- 3.3. The share capital structure of the Transferor Company 2 as per the latest audited balance sheet as on March 31, 2014 is as under:

Particulars	Amount in Rs
Authorised	
750,000 Equity Shares of Rs. 10/- each	7,500,000
Total	7,500,000
Issued, subscribed and paid up	
700,000 Equity Shares of Rs. 10/- each	7,000,000
Total	7,000,000

Subsequent to March 31, 2014, and up to the date of approval of this Scheme by the Board of the Transferor Company 2, there has been no change in the share capital of the Transferor Company 2. Further, the entire paid up equity share capital of the Transferor Company 2 is held by the Transferee Company (i.e. the Transferor Company 2 is a wholly owned subsidiary of the Transferee Company).

- 3.4. The share capital structure of the Transferor Company 3 as per the latest audited balance sheet as on March 31, 2014 is as under:

Particulars	Amount in Rs
Authorised	
1,000,000 Equity Shares of Rs. 10/- each with voting rights	10,000,000
Total	10,000,000
Issued, subscribed and fully paid up	
1,000,000 Equity Shares of Rs. 10/- each with voting rights	10,000,000
Total	10,000,000



Subsequent to March 31, 2014, and up to the date of approval of this Scheme by the Board of the Transferor Company 3, there has been no change in the share capital of the Transferor Company 3. Further, the entire paid up equity share capital of the Transferor Company 3 is held by the Transferee Company (i.e. the Transferor Company 3 is a wholly owned subsidiary of the Transferee Company).



PART B
AMALGAMATION OF THE TRANSFEROR COMPANY 1 WITH THE TRANSFEREE
COMPANY

4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1. Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the entire business and whole of the Undertaking of the Transferor Company 1, as a going concern, including but not limited to all the debts, liabilities, duties and obligations of every description and also including, without limitation, all the movables and immovable properties and assets comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licenses, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed except as mentioned in Sub Clauses 4.2 to 4.4 below, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company 1 or the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise.

- 4.2. All the movable assets of the Transferor Company 1 along with assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.
- 4.3. Such delivery and transfer shall be made on a date mutually agreed upon between the Transferor Company 1 and the Transferee Company.
- 4.4. In respect of any assets of the Transferor Company 1, other than those mentioned in



Sub Clause 4.2 above, including actionable claims, sundry debtors, outstanding loans, income tax refunds, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company 1 shall, if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Courts having sanctioned this Scheme, the relevant debt, loan, income tax refunds, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company 1 to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 4.5. With effect from the Appointed Date, all debts, liabilities, including contingent liabilities, duties and obligations of the Transferor Company 1, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company 1, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall, pursuant to the orders of the High Courts or such other competent authority as may be applicable under provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company 1.
- 4.6. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company 1 and the Transferee Company per se shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 4.7. Upon this Scheme being effective, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.



5. CONSIDERATION

As the Transferor Company 1 is a wholly-owned subsidiary of the Transferee Company, no consideration shall be payable pursuant to the amalgamation of the Transferor Company 1 with the Transferee Company, and the equity shares held by the Transferee Company along with the joint holders in the Transferor Company 1 shall stand cancelled without any further act, application or deed.

6. ACCOUNTING TREATMENT

- 6.1. On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company 1 in its books of account with effect from the Appointed Date.
- 6.2. Amalgamation of the Transferor Company 1 with the Transferee Company shall be accounted for in accordance with "Pooling of Interest Method" of accounting as per Accounting Standard – 14 as notified under the Act.
- 6.3. All assets & liabilities, including reserves, of the Transferor Company 1 shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as they appear in the financial statement of the Transferor Company 1.
- 6.4. Amount of share capital of the Transferor Company 1 and the value recorded as investment in the books of the Transferee Company shall be adjusted against each other and difference, if any, shall be adjusted in the Amalgamation Reserve Account in the books of the Transferee Company.
- 6.5. All inter-corporate deposits, loans and advances, outstanding balances or other obligations between the Transferor Company 1 and the Transferee Company, shall be cancelled and there shall be no obligation/outstanding in that behalf.
- 6.6. In case of any differences in accounting policy between the Transferee Company and the Transferor Company 1, the impact of the same till the Appointed Date will be quantified and recorded in accordance with the applicable Accounting Standards notified under the Act to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.



PART C
AMALGAMATION OF THE TRANSFEROR COMPANY 2 WITH THE TRANSFEREE
COMPANY

7. TRANSFER AND VESTING OF UNDERTAKING

- 7.1. Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the entire business and whole of the Undertaking of the Transferor Company 2, as a going concern, including but not limited to all the debts, liabilities, duties and obligations of every description and also including, without limitation, all the movables and immovable properties and assets comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licenses, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed except as mentioned in Sub Clauses 7.2 to 7.4 below, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company 2 or the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise.

- 7.2. All the movable assets of the Transferor Company 2 along with assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.
- 7.3. Such delivery and transfer shall be made on a date mutually agreed upon between the Transferor Company 2 and the Transferee Company.
- 7.4. In respect of any assets of the Transferor Company 2, other than those mentioned in



Sub Clause 7.2 above, including actionable claims, sundry debtors, outstanding loans, income tax refunds, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company 2 shall, if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Courts having sanctioned this Scheme, the relevant debt, loan, income tax refunds, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company 2 to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 7.5. With effect from the Appointed Date, all debts, liabilities, including contingent liabilities, duties and obligations of the Transferor Company 2, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company 2, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall, pursuant to the orders of the High Courts or such other competent authority as may be applicable under provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company 2.
- 7.6. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company 2 and the Transferee Company per se shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 7.7. Upon this Scheme being effective, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.



8. CONSIDERATION

As the Transferor Company 2 is a wholly-owned subsidiary of the Transferee Company, no consideration shall be payable pursuant to the amalgamation of the Transferor Company 2 with the Transferee Company, and the equity shares held by the Transferee Company along with the joint holder in the Transferor Company 2 shall stand cancelled without any further act, application or deed.

9. ACCOUNTING TREATMENT

- 9.1. On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company 2 in its books of account with effect from the Appointed Date.
- 9.2. Amalgamation of the Transferor Company 2 with the Transferee Company shall be accounted for in accordance with "Pooling of Interest Method" of accounting as per Accounting Standard – 14 as notified under the Act.
- 9.3. All assets & liabilities, including reserves, of the Transferor Company 2 shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as they appear in the financial statement of the Transferor Company 2.
- 9.4. Amount of share capital of the Transferor Company 2 and the value recorded as investment in the books of the Transferee Company shall be adjusted against each other and difference, if any, shall be adjusted in the Amalgamation Reserve Account in the books of the Transferee Company.
- 9.5. All inter-corporate deposits, loans and advances, outstanding balances or other obligations between the Transferor Company 2 and the Transferee Company, shall be cancelled and there shall be no obligation/outstanding in that behalf.
- 9.6. In case of any differences in accounting policy between the Transferee Company and the Transferor Company 2, the impact of the same till the Appointed Date will be quantified and recorded in accordance with the applicable Accounting Standards notified under the Act to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.



PART D
AMALGAMATION OF THE TRANSFEROR COMPANY 3 WITH THE TRANSFEEE
COMPANY

10. TRANSFER AND VESTING OF UNDERTAKING

10.1. Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the entire business and whole of the Undertaking of the Transferor Company 3, as a going concern, including but not limited to all the debts, liabilities, duties and obligations of every description and also including, without limitation, all the movables and immovable properties and assets comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licenses, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed except as mentioned in Sub Clauses 10.2 to 10.4 below, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Company 3 or the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise.

10.2. All the movable assets of the Transferor Company 3 along with assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.

10.3. Such delivery and transfer shall be made on a date mutually agreed upon between the Transferor Company 3 and the Transferee Company.

10.4. In respect of any assets of the Transferor Company 3, other than those mentioned in



Sub Clause 10.2 above, including actionable claims, sundry debtors, outstanding loans, income tax refunds, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Company 3 shall, if so required by the Transferee Company, and the Transferee Company may, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Courts having sanctioned this Scheme, the relevant debt, loan, income tax refunds, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company 3 to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 10.5. With effect from the Appointed Date, all debts, liabilities, including contingent liabilities, duties and obligations of the Transferor Company 3, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company 3, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall, pursuant to the orders of the High Courts or such other competent authority as may be applicable under provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company 3.
- 10.6. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company 3 and the Transferee Company per se shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 10.7. Upon this Scheme being effective, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.



11. CONSIDERATION

As the Transferor Company 3 is a wholly-owned subsidiary of the Transferee Company, no consideration shall be payable pursuant to the amalgamation of the Transferor Company 3 with the Transferee Company, and the equity shares held by the Transferee Company along with the joint holder in the Transferor Company 3 shall stand cancelled without any further act, application or deed.

12. ACCOUNTING TREATMENT

- 12.1. On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company 3 in its books of account with effect from the Appointed Date.
- 12.2. Amalgamation of the Transferor Company 3 with the Transferee Company shall be accounted for in accordance with "Pooling of Interest Method" of accounting as per Accounting Standard – 14 as notified under the Act.
- 12.3. All assets & liabilities, including reserves, of the Transferor Company 3 shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as they appear in the financial statement of the Transferor Company 3.
- 12.4. Amount of share capital of the Transferor Company 3 and the value recorded as investment in the books of the Transferee Company shall be adjusted against each other and difference, if any, shall be adjusted in the Amalgamation Reserve Account in the books of the Transferee Company.
- 12.5. All inter-corporate deposits, loans and advances, outstanding balances or other obligations between the Transferor Company 3 and the Transferee Company, shall be cancelled and there shall be no obligation/outstanding in that behalf.
- 12.6. In case of any differences in accounting policy between the Transferee Company and the Transferor Company 3, the impact of the same till the Appointed Date will be quantified and recorded in accordance with the applicable Accounting Standards notified under the Act to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.



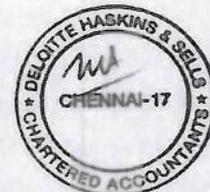
PART E
GENERAL TERMS AND CONDITIONS

13. UTILIZATION OF SECURITIES PREMIUM ACCOUNT IN THE BOOKS OF THE TRANSFEREE COMPANY

- 13.1. Upon the Scheme coming into effect and with effect from the Appointed Date, debit balances in Amalgamation Reserve Account, if any, after giving effect to Clauses 6, 9 and 12 of this Scheme shall be adjusted against the Securities Premium Account of the Transferee Company.
- 13.2. The application and reduction of the securities premium account, as above shall be effected as an integral part of the Scheme without having to follow the process under Section 52 of the New Act and Sections 100, 102 and 103 of the Act separately and the order of the High Courts sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act confirming the reduction. The reduction would not involve either diminution of liability in respect of unpaid share capital or payment of paid up share capital and provisions of Section 101 of the Act will not be applicable.

14. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 14.1. Upon the coming into effect of this Scheme and subject to the provisions of the Scheme and without any further act of the parties, all memoranda of understanding, contracts (including but not limited to customer contracts, service contracts and supplier contracts), schemes, assurances, licences, insurance policies, guarantees, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, and other assurances in favour of the Transferor Companies or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor thereto.
- 14.2. The Transferee Company shall, if so required or becomes necessary, upon the coming into effect of this Scheme enter into and/ or issue and/or execute deeds, writings or confirmations to give effect to the provisions of this Scheme and to the



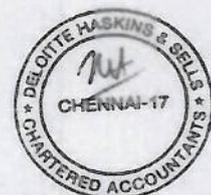
extent that the Transferor Companies is required prior to the Effective Date to join in such deeds, writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Companies, as the case may be.

15. LEGAL PROCEEDINGS

If any legal proceedings including but not limited to suits, summary suits, indigent petitions, appeal, or other proceedings of whatever nature (hereinafter called "the proceedings") by or against the Transferor Companies are pending as on the Effective Date, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the entire business and Undertaking of the Transferor Companies or of anything contained in the Scheme, but the proceedings shall be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted or enforced by or against the Transferor Companies, if the Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Companies.

16. EMPLOYEES OF TRANSFEROR COMPANIES

- 16.1. All the permanent employees of the Transferor Companies, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Companies immediately preceding the Effective Date. Services of the employees of the Transferor Companies shall be taken into account from the date of their respective appointment with the Transferor Companies for the purposes of all retirement benefits and all other entitlements for which they may be eligible. For the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Companies shall also be taken into account.
- 16.2. On and from the Effective Date, the services of the employees of the Transferor Companies will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or



superannuation fund or other statutory purposes as the case may be.

- 16.3. It is provided that as far as the provident fund, gratuity fund and pension and/ or superannuation fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Companies are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Companies in respect of the employees transferred with the entire business and Undertaking of the Transferor Companies for all purposes whatsoever relating to the administration or operation of such funds or trusts or in relation to the obligation to make contribution to the said funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Companies in relation to such funds or trusts shall become those of the Transferee Company. The trustees including the Board of Directors of the Transferor Companies and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Companies.

17. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

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

- 17.1. The Transferor Companies shall carry on and be deemed to have been carrying on its business and activities and shall stand possessed of and hold all of the Undertaking for and on account of and for the benefit of and in trust for the Transferee Company. The Transferor Companies hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- 17.2. The Transferor Companies shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior consent in writing of any of the persons authorised by the Board of Directors of the Transferee Company, (i) sell, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the assets comprising the Undertaking or any part thereof or undertake any financial commitments of any nature whatsoever, except in the ordinary course of business (ii) nor shall it undertake any new business or substantially expand its existing business.
- 17.3. All the profits or income, taxes (including advance tax, tax deducted at source and MAT Credit) accruing or arising to the Transferor Companies or expenditure or



losses arising to or incurred or suffered by the Transferor Companies, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits, incomes, taxes, tax losses, MAT Credit, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be.

- 17.4. The Transferor Companies shall not alter its equity capital structure either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organisation or in any other manner, except by and with the consent of the Board of Directors of the Transferee Company.
- 17.5. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies.

18. DIVIDENDS

The Transferor Companies shall not declare any dividend for the period commencing from and after the Appointed Date without the prior written consent of the Transferee Company.

19. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the entire business and Undertaking of the Transferor Companies pursuant to this Scheme, and the continuance of proceedings under Clause 15 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or 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 the Transferor Companies in respect thereto, as if done and executed on its behalf.

20. DISSOLUTION OF THE TRANSFEROR COMPANIES

- 20.1. On the Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up and without any further act by the parties.
- 20.2. On and with effect from the Effective Date, the name of the Transferor Companies



shall be struck off from the records of the appropriate Registrar of Companies. The Transferee Company shall make necessary filings in this regard.

- 20.3. Even after the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts relating to Transferor Companies and realize all monies and complete and enforce all pending contracts and transactions in the name of Transferor Companies insofar as may be necessary until the transfer and vesting of rights and obligations of the Transferor Companies to the Transferee Company under this Scheme is formally effected by the parties concerned

21. APPLICATIONS/PETITIONS TO THE HIGH COURTS AND APPROVALS

- 21.1. The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make and file all applications under Sections 391 to 394 of the Act read with Section 52 of the New Act and Sections 100 to 104 of the Act to the High Courts, for sanction of this Scheme and for dissolution of the Transferor Companies.
- 21.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertaking and to carry on the business of the Transferor Companies.

22. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 22.1. The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme, or to any conditions or limitations that the High Courts or any other Government Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the High Courts or such other Government Authority, or make any modifications / amendments to the Scheme in pursuance of a change in law or otherwise. The Transferor Companies and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions 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.



22.2. For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Companies and/or the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulties that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

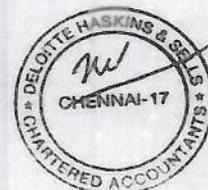
23. VALIDITY OF EXISTING RESOLUTIONS, ETC

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

24. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

24.1. The Scheme is conditional upon and subject to:

- 24.1.1. approval of the Scheme by the requisite majority of each class of the respective members and creditors of the Transferor Companies and the Transferee Company, if applicable as per the provisions of Act and as may be directed by the High Courts;
- 24.1.2. sanctions and orders under the provisions of Sections 391 to 394 of the Act read with Section 52 of the New Act and Sections 100 to 104 of the Act being obtained by the Transferor Companies and the Transferee Company from the respective High Courts subject to clause 25.2 of the Scheme;
- 24.1.3. the certified or authenticated copies of the orders of the respective High Courts sanctioning this Scheme being filed with the appropriate Registrar of Companies; and
- 24.1.4. any other sanctions and approvals as may be required by law in respect of this Scheme being obtained.



25. EFFECT OF NON RECEIPT OF APPROVALS/SANCTIONS

- 25.1. In the event of any of the said approvals referred to in Clause 24 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the respective High Courts and/or order or orders not being passed as aforesaid by 30 September 2016 or any other date as may be mutually agreed upon by the respective Board of Directors of the Transferor Companies and the Transferee Company (who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s)), this Scheme shall stand revoked, cancelled and be of no effect.
- 25.2. In case one or more High Courts do not approve the Scheme or there is a delay in obtaining approvals beyond a reasonable time as decided by the Board of Directors of the Transferor Company, as far as the Transferor Companies are concerned, the Board of Directors of the said Transferor Company(ies), as the case may be, and the Transferee Company, declare such part concerning the said Transferor Company under the Scheme of Amalgamation as severable and shall be deleted from the Scheme of Amalgamation. Such amended or modified Scheme excluding the severable and deleted portion shall continue to be effective in respect of the pending Transferor Companies and Transferee Company in respect of whom the Scheme has been approved by the respective High Courts.
- 25.3. If any part of this Scheme hereof is invalid, ruled illegal by any High Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Companies and the Transferee Company that such part shall be severable from the remainder of the Scheme.
- 25.4. The Boards of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme could have adverse implications on the Transferor Companies and/ or the Transferee Company.



26. COSTS AND EXPENSES

All costs, charges, taxes including duties and levies and all other expenses in relation to or in connection with carrying out and completing the terms and conditions of this Scheme and matters incidental thereto, shall be borne and paid by the Transferee Company.



For Mahindra Holidays & Resorts India Ltd.

[Signature]
Dinesh Shetty
Head-Legal & Company Secretary



Certified True Copy

For Mahindra Holidays & Resorts India Ltd

[Signature]
Dinesh Shetty
Head-Legal & Company Secretary