



Date: 19 September 2018

Department of Corporate Services,
BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Security Code - 523710

Dear Sir,

Sub.: Outcome of the Board Meeting held on 19 September 2018 at 3.30 P.M.

Ref: Intimation of the Composite Scheme of Amalgamation and Arrangement under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

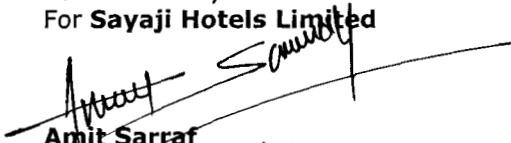
With reference to the captioned subject, we hereby inform you that, the Board of Directors of our company at its meeting held today has approved the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited, Ahilya Hotels Limited, Sayaji Housekeeping Services Limited, Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors under section 230 to 232 read with section 52 and 66 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme inter-alia provides:

- a. Amalgamation of Ahilya Hotels Limited ("AHL") into Sayaji Hotels Limited ("SHL") on a going concern basis and cancellation and reduction of share capital of Sayaji Hotels Limited in the manner set out in the Scheme; and
 - b. Demerger, transfer and vesting of the Demerged Undertakings (as defined hereinafter) from Sayaji Hotels Limited to Sayaji Hotels (Pune) Limited ("SHPL") and Sayaji Hotels Management Limited ("SHML) collectively referred to as the Resulting Companies (as defined hereinafter) on a going concern basis and the consequent issue of shares by the Resulting Companies to the shareholders of Sayaji Hotels Limited in the manner set out in the Scheme; and
 - c. The reduction of share capital of the Resulting Companies in the manner set out in the Scheme.
 - d. Amalgamation of Sayaji Housekeeping Services Limited ("SHKSL") into Sayaji Hotels Management Limited on a going concern basis.
2. The Scheme is subject to requisite statutory and regulatory approvals and sanction by the respective shareholders and creditors of each of the companies involved in the Scheme.
 3. It may be noted that the Scheme has been reviewed and recommended for approval by the Audit Committee of the Company at its meeting held on 19 September 2018.

The detailed disclosure as required under Regulation 30 of the Listing Regulations, 2015 read with Circular CIR/CFD/CMD/4/2015 dated 9th September 2015 is enclosed as Annexure to this outcome.

We request you to take the same on your records.

Yours faithfully
For **Sayaji Hotels Limited**


Amit Sarraf
Company Secretary
Encl.: As above

Annexure – Part B of the Scheme relating to amalgamation of AHL into SHL

Sr. No.	Particulars	Details
1.	Name of the entities forming part of amalgamation / merger, details in brief such as size, turnover etc.	AHL will be merged pursuant to Part B of the Scheme in SHL. Turnover of AHL for the quarter ended on 30 June 2018 – Nil Turnover of SHL for the quarter ended on 30 June 2018 – INR 48.31 cr
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms-length"	Transaction does fall within related party transactions. However, scheme of arrangement involving merger or demerger will not attract provisions of Section 188 of Companies Act, 2013
3.	Areas of business of the entities	<ul style="list-style-type: none"> AHL is engaged in the management business. SHL primarily engaged in the business of owning, operating & managing hotels.
4.	Brief details of change in shareholding patten (if any) of listed entity	Please refer Note 1
5.	In case of cash consideration – amount or otherwise share exchange ratio	Share exchange ratio: 20 fully paid up equity share of INR 10 (INR Ten only) each of SHL shall be issued and allotted for every 73 (One) fully paid up equity shares of INR 10 (INR Ten only) each held in AHL No cash consideration shall be issued pursuant to amalgamation of AHL into SHL.
6.	Whether listing would be sought for the resulting company	Resulting Company i.e. SHL is already listed on BSE.

Note 1:

For SHL - Equity

Category	Before Scheme	After Scheme
Promoters	74.90%	71.97%
Public	25.10%	28.03%
Non-public non promoter	Nil	Nil

* Above shareholding is as on 30 June 2018. Shareholding pattern post scheme is computed based on share swap ratio as provided in the valuation report.

Annexure – Part C of the Scheme relating to transfer of Demerged Undertakings from SHL and its vesting in Resulting Companies, reduction and matters incidental thereto

Sr. No.	Particulars	Details
1.	Brief details of Demerged Undertakings	<p>Demerged Undertaking 1 means the entire Baroda business of SHL, including all its assets, contracts, identified investments, rights, approvals, licenses and powers and all its debts, outstandings, liabilities, duties, obligations and employees pertaining to the Baroda business.</p> <p>Demerged Undertaking 2 means the entire Pune business of SHL, including all its assets, investments, rights, contracts, approvals, licenses and powers and all its debts, outstandings, liabilities, duties, obligations and employees pertaining to the Pune business.</p> <p>Demerged Undertaking 3 means the entire Management business and Housekeeping business of SHL, including all its assets, investments, rights, contracts, approvals, licenses and powers and all its debts, outstandings, liabilities, duties, obligations and employees pertaining to the management and housekeeping business.</p>
2.	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	<p>Annual Turnover of Demerged Undertaking 1 for FY 2017-18 is Rs. 12.81 Cr.</p> <p>Percentage to total turnover on standalone basis is 6.68%</p> <p>Annual Turnover of Demerged Undertaking 2 for FY 2017-18 is Rs. 42.45 Cr.</p> <p>Percentage to total turnover on standalone basis is 22.15%</p> <p>Annual Turnover of Demerged Undertaking 3 for FY 2017-18 is Rs. 46.65 Cr.</p> <p>Percentage to total turnover on standalone basis is 24.34%</p>
3.	Brief details of change in shareholding patter (if any) of all entities	<p>There will be change in shareholding pattern of SHPL and SHML pursuant to SHPL and SHML issuing shares to the shareholders of SHL post demerger. Please refer Note 2.</p> <p>There will be no change in shareholding of any SHL</p>
4.	In case of cash consideration – amount or otherwise share exchange ratio	<p>Share exchange ratio: For demerger of Demerged Undertaking 1 and Demerged Undertaking 2 into SHPL:</p> <p>4 (Four) fully paid up equity share of INR 10 (INR Ten only) each of SHPL shall be issued and allotted for every 23 (Twenty Three) fully paid</p>

		<p>up equity shares of INR 10 (INR Ten only) each held in SHL.</p> <p>For demerger of Demerged Undertaking 3 into SHML:</p> <p>4 (Four) fully paid up equity share of INR 10 (INR Ten only) each of SHPL shall be issued and allotted for every 23 (Twenty Three) fully paid up equity shares of INR 10 (INR Ten only) each held in SHL</p> <p>No cash consideration shall be paid by SHPL and SHML to the shareholders of SHL</p>
5.	Whether listing would be sought for the resulting company	Resulting companies i.e. SHPL and SHML would make an application to BSE for listing of its shares. Shares issued by SHPL and SHML pursuant to demerger shall also be listed for trading.

Note 2:

For SHPL – Equity

Category	Before Scheme	After Scheme
Promoters	100%	71.97%
Public	Nil	28.03%
Non-public non promoter	Nil	Nil

For SHML - Equity

Category	Before Scheme	After Scheme
Promoters	100%	71.97%
Public	Nil	28.03%
Non-public non promoter	Nil	Nil

For SHL - Equity

Category	Before Scheme	After Scheme
Promoters	74.90%	71.97%
Public	25.10%	28.03%
Non-public non promoter	Nil	Nil

Annexure – Part D of the Scheme relating to Amalgamation of SHKSL into SHML

Sr. No.	Particulars	Details
1.	Name of the entities forming part of amalgamation / merger, details in brief such as size, turnover etc.	SHKSL will be merged pursuant to Part D of the Scheme in SHL. Business of SHKSL as on March 2018 – 1.41 Cr. Business of SHML as on March 2018 – Nil
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms-length"	Transaction does fall within related party transactions. However, scheme of arrangement involving merger or demerger will not attract provisions of Section 188 of Companies Act, 2013
3.	Areas of business of the entities	<ul style="list-style-type: none"> • SHKSL is engaged in the business of providing services and expertise for various cleaning and housekeeping requirements • SHML is engaged in the business of providing technical advice in constructing, furnishing and running of, take-over, manage, carry on the business of hotels, motel, etc.
4.	Brief details of change in shareholding patter (if any) of all entities	There will not be any change in shareholding pattern of any of the entities since SHKSL is a wholly owned subsidiary of SHML.
5.	In case of cash consideration – amount or otherwise share exchange ratio	No shares shall be issued pursuant to amalgamation since SHKSL is a wholly owned subsidiary of SHML. No cash consideration shall be paid by SHML.
6.	Whether listing would be sought for the resulting company	No as SHML would be already listed post above mentioned demerger.

Rationale and purpose of the scheme

- SHL is in the process of streamlining its business and proposes to consolidate management business of AHL viz. Transferor Company 1.
- This arrangement is in consonance with the global corporate practices which intend and seek to achieve flexibility and integration of size, scale and financial strength, in the business carried on by SHL.
- Further, SHL will demerge Demerged Undertaking 1 ('Baroda business') and Demerged Undertaking 2 ('Pune business') into SHPL, Demerged Undertaking 3 ('Housekeeping and Management business') into SHML.
- Upon amalgamation and segregation of identified business undertakings, AHL, SHKSL, SHL, SHPL and SHML shall achieve higher long-term financial returns, increased competitive strength, cost reduction and efficiencies, productivity gains, and logistical advantages, thereby significantly contributing to future growth in their respective business verticals. Apart from the various benefits/advantages stated and illustrated above, the management of AHL, SHKSL, SHL, SHPL and SHML are of the opinion that the following benefits shall also be enjoyed and realized by all the stakeholders:
- **Streamlining businesses:** Currently, SHL along with its associate companies is engaged in the business of owning, operating & managing hotels under multiple divisions, housekeeping services etc. In order to streamline the business both from operating and management perspective, it is proposed to consolidate alike businesses into a single identified entity and segregate other businesses into another identified entity creating a niche dedicated and focused business segment without any risk or overlap of one business over the other. Demerger of Baroda business and Pune business to SHPL, Housekeeping and Management business to SHML will help concentrate on individual businesses and hence unlock value for shareholders of SHL and provide better flexibility in attracting different set of investors, strategic partners and stakeholders. These businesses carried on by SHL through itself has significant potential for growth and profitability. The nature of risk, challenges, competition, opportunities for these businesses are distinct and separate from other business carried on by SHL. The proposed Scheme would create enhanced value for the stakeholders.
- **Resources:** The Scheme will improve organizational capability arising from the pooling of human capital that have diverse skills, talent, and vast experience, and facilitate mobility of human resources of Transferor Companies (defined hereinafter) and the employees in the subsidiaries belonging to the Transferor Companies and vice versa, greater integration and greater employees' strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value and will improve the competitive position of all the companies.
- **Streamlining the housekeeping business carried on by SHKSL:** The Scheme will result in administrative and operational rationalization, organizational efficiencies, and in economies of scale, reduction in overheads and other expenses and optimum utilization of resources, which will go a long way in strengthening the business model that would be competitive and cogent.

- Focused management: Pursuant to the Scheme, similar businesses will vest together thereby providing focused management and propel the growth of each business.
- Efficiency in fund raising and de-risking businesses: With consolidation of like businesses, the companies can leverage on the combined strength of the businesses and raise funds efficiently as well as de-risk other businesses that are segregated.
- The proposed corporate restructuring mechanism by way of a Composite Scheme of Amalgamation and Arrangement under the provisions of the Act is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors, general public at larger and other stakeholders of all the companies involved.
- The Scheme also provides for various matters consequential or otherwise integrally connected herewith.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For and on behalf of Sayaji Hotels Limited,



Amit Sarraf

Company Secretary