

SAYAJI HOTELS LIMITED

FORM No. CAA. 3

Pursuant to Section 230(5) and rule 8

**IN THE MATTER OF COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT
UNDER SECTION 230 TO 232 READ WITH SECTION 52 AND 66 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013**

BETWEEN

SAYAJI HOTELS LIMITED

AND

AHILYA HOTELS LIMITED

AND

SAYAJI HOUSEKEEPING SERVICES LIMITED

AND

SAYAJI HOTELS (PUNE) LIMITED

AND

SAYAJI HOTELS MANAGEMENT LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

NOTICE TO CENTRAL GOVERNMENT, REGULATORY AUTHORITIES

COMPANY APPLICATION NO. CAs/565 to 569/CAA/2019

To
The Bombay Stock Exchange
Kind Attention – Ms. Bhagyashri
Listing Department
The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001

Notice is hereby given in pursuance of sub-section (5) of section 230 of the Companies Act, 2013, that as directed by the Chennai Bench of the National Company Law Tribunal at Chennai by an order dated 4th day of July 2019 under sub-section (1) of section 230 of the Act, separate meetings of the Equity Shareholders and Unsecured Creditors of Sayaji Hotels Limited to consider the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji

**Regd. Office: F1 C2 Sivavel Apartment 2 Alagappa Nagar, ZaminPallavaram Chennai TN 600117 IN
Phone : 044-29871174 Email :cs@sayajigroup.com CIN: L51100TN1982PLC124332**

SAYAJI HOTELS LIMITED

Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their Respective Shareholders and Creditors ('Scheme') shall be held as under:

Sl No.	Class of Meetings	Date of Meetings	Time (IST)	Place of Meeting
1	Equity Shareholders	14 th August 2019	11:00 A.M.	Flat in Block No. C-3, Door No. F1 (C3/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600 117 Tamil Nadu
2	Unsecured Creditors		12:00 Noon	

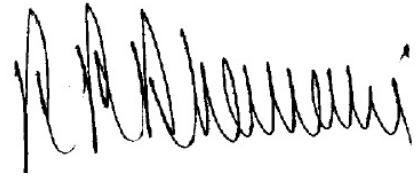
A copy of the notice and the proposed Scheme are enclosed herewith.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the Tribunal within thirty days from the date of receipt of this notice. Copy of the representation may simultaneously be sent to the concerned company.

In case no representation is received within the stated period of thirty days, it shall be presumed that you have no representation to make on the proposed Scheme.

Dated this 9th day of July 2019

For SAYAJI HOTELS LIMITED



RAOOF RAZAK DHANANI
MANAGING DIRECTOR

Place: Mumbai

Enclosures: i) Copy of notice with statement as required under section 230(3);
ii) Copy of the Scheme

SAYAJI HOTELS LIMITED

(CIN: L51100TN1982PLC124332)

Registered office : F1 C2, Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram,
Chennai – 600117, Tamil Nadu

Tel : 044-29871174

Email : cs@sayajigroup.com **Website :** www.sayajihotels.com

NOTICE OF THE MEETING OF THE UNSECURED CREDITORS OF SAYAJI HOTELS LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH, CHENNAI (“NCLT”)

Day	Wednesday
Date	14th August, 2019
Time	12:00 Noon
Venue	Flat in Block No. C-3, Door No. F1 (C3/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600117 Tamil Nadu

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI**

FORM NO.CAA.2 (Pursuant to Section 230(3) and Rule 6)
Original Application No. CAs/565 to 569/CAA/2019

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and
Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited
and Sayaji Hotels Management Limited and their respective Shareholders and Creditors

Sayaji Hotels Limited

(CIN: L51100TN1982PLC124332)

a Company incorporated under the Companies

Act, 1956, having its Registered Office at

F1 C2, Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram

Chennai – 600 117, Tamil Nadu

....Applicant / Transferee Company 1/ Demerged Company

NOTICE OF THE MEETING OF THE UNSECURED CREDITORS OF SAYAJI HOTELS LIMITED

To,

The Unsecured Creditors of Sayaji Hotels Limited (“Demerged Company” or “Applicant Company” or “the Company” or “Transferee Company 1”)

NOTICE is hereby given that by an Order dated July 4th, 2019, the National Company Law Tribunal, Division Bench, Chennai has directed that a meeting of the Unsecured Creditors of the Company be convened and held at Chennai, Tamil Nadu on 14th August, 2019 at 12:00 P.M. , for the purpose of approving, with or without modification(s), the Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors (“the Scheme”), by transacting the following business:

To consider and, if thought fit, to approve with or without modification(s), the following resolution under Section 230 read with Section 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions of the Companies Act, 2013, and the provisions of the Memorandum and Articles of Association of the Company for approval of the amalgamation and arrangement embodied in the Scheme.

“**RESOLVED** that pursuant to the provisions of Section 230 read with Section 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions of the Companies Act, 2013 and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approval(s) consents, sanctions and permissions of BSE Limited (BSE), Securities and Exchange Board of India (SEBI), Central Government, other concerned regulatory authorities and the sanction of the National Company Law Tribunal, Division Bench, Chennai (hereinafter referred to as “NCLT”) and/or such other appropriate authority/ies, as may be applicable, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Applicant Company, the Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors, placed before this meeting, be and is hereby approved.”

“RESOLVED FURTHER that for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board of Directors of the Company or any person(s) authorised by the Board to exercise the powers conferred on the Board of Directors of the Company by this resolution), be and are hereby severally authorised to do all things and to take all incidental and necessary steps for and on behalf of the Company and to take from time to time all incidental and necessary steps for and on behalf of the Company and to take from time to time all decisions and steps necessary, expedient or proper, with respect to implementation of the above mentioned resolution, and also to take all other decisions as it/they may, in its/their absolute decision, deem appropriate and to deal with all questions or difficulties that may arise in the course of implementing the above resolution.”

The quorum for the Meeting shall be 15 (Fifteen) unsecured creditors. In case the quorum is not in place at the designated time, the Meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum.

Copies of the Scheme and the Explanatory statement under Section 230 and Section 102 of the Companies Act, 2013 can be obtained free of charge at the Registered Office of the Company or at the Office of its Advocates, M/s. Pawan Jhabakh, new no.115, First Floor, Luz Church Road, Mylapore, Chennai – 600004.

Persons entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the Registered Office of the Company at F1 C2, Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600 117, Tamil Nadu not later than 48 hours before the meeting.

A copy of each of the Explanatory statement under Section 230 and Section 102 of the Companies Act, 2013, the Scheme, Valuation Report issued by Thadani & Co., Chartered Accountants, Share Entitlement Ratio Report issued by Mahesh C. Solanki & Co., Chartered Accountants, Fairness Opinion issued by Saffron Capital Advisors Private Limited, Merchant Bankers, Complaints Reports, Observation Letters issued by BSE Limited, Reports of Directors of the Applicant Company under Section 232(2)(c) of the Companies Act, 2013, Form of Proxy and Attendance Slip are enclosed.

The Tribunal has appointed Mr. Thottappully Narayanan Unni, independent director of the Applicant Company and failing him, Mr. Abhay Chintaman Chaudhari, independent director of the Applicant Company as the Chairman of the said meeting. The above mentioned Scheme, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Sd/-
Thottappully Narayanan Unni
(Chairman appointed for the Meeting)

Dated this July 5th, 2019 at Indore
SAYAJI HOTELS LIMITED
CIN: L51100TN1982PLC124332

Registered Office: F1 C2, Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram
Chennai – 600 117, Tamil Nadu

Notes:

1. Only Unsecured Creditors of the Applicant Company may attend and vote (either in person or by proxy or by authorised representative under applicable provisions of the Companies Act, 2013) at the meeting of the unsecured creditors of the Applicant Company. The proxy need not be an unsecured creditor of the Applicant Company. The authorized representative of a body corporate which is a unsecured creditor of the Applicant Company may attend and vote at the meeting provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting of the unsecured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting.
2. The form of proxy duly completed should, however, be deposited at the Registered Office of the Applicant Company not less than 48 (forty-eight) hours before the meeting.
3. All alterations made in the Form of Proxy should be initialed.
4. The Proxies should carry their identity proof i.e. a Pan Card / Aadhaar Card / Passport / Driving License / Voter ID Card.
5. An unsecured creditor or his proxy is requested to hand over the enclosed attendance slip, duly signed as per the specimen signature(s) registered with the Company for admission to the meeting hall.
6. The Notice, together with the documents accompanying the same, is being sent to all the unsecured creditors, whose names appeared in the books of accounts as on 5th July 2019, by permitted mode i.e. either by registered post or speed post or by courier service. This Notice is also displayed/posted on the website of the Company www.sayajihotels.com.
7. The Applicant Company has provided the facility of ballot/polling paper at the venue of the meeting. In accordance with the provisions of Sections 230 - 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the unsecured creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme.
8. The material documents referred to in the accompanying Explanatory statement shall be open for inspection by the Unsecured Creditors at the Registered Office of the Applicant Company on all working days between 11:00 A.M. to 5:00 P.M. except Saturday, Sunday and Public Holidays.
9. Neelesh Gupta & Co., Company Secretaries will be acting as the Scrutiniser to scrutinise the voting process in a fair and transparent manner.
10. The Scrutiniser shall after the conclusion of voting at the meeting shall make, a consolidated Scrutiniser's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing, who shall counter sign the same.
11. The results declared along with the Scrutiniser's Report shall be placed on the Company's website, www.sayajihotels.com and also forwarded to the Stock Exchanges.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI**

FORM NO.CAA.2 (Pursuant to Section 230(3) and Rule 6)
Original Application No. CAs/565 to 569/CAA/2019

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective Shareholders and Creditors

Sayaji Hotels Limited
a Company incorporated under the Companies
Act, 1956, having its Registered Office at
F1 C2, Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram
Chennai – 600 117, Tamil Nadu

....Applicant / Transferee Company 1/ Demerged Company

STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT 2013 FOR THE MEETING OF UNSECURED CREDITORS OF SAYAJI HOTELS LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH, CHENNAI

1. Pursuant to the Order dated July 4th, 2019, passed by the Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, in Chennai, a meeting of the Unsecured Creditors of Sayaji Hotels Limited is being convened at Chennai, Tamil Nadu on Wednesday, 14th August, 2019 at 12:00 P.M., for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited ("SHL"/ "Applicant"/ " Transferee Company 1"/ "Demerged Company") and Ahilya Hotels Limited ("AHL"/ "Transferor Company 1") and Sayaji Housekeeping Services Limited ("SHKSL"/"Transferor Company 2") and Sayaji Hotels (Pune) Limited ("SHPL"/"Resulting Company 1") and Sayaji Hotels Management Limited ("SHML"/"Transferee Company 2"/ "Resulting Company 2") ("the Scheme") and their respective members and creditors. Notice of the said meeting together with the copy of the Scheme is sent herewith. This Explanatory statement explaining the terms of the Scheme is being furnished as required u/s 230(3) of the Companies Act, 2013.
2. The draft Scheme was placed before the Audit Committee and Board of Directors of the Applicant Company at their respective meetings held on September 19, 2018. In accordance with the provisions of SEBI (Listing Obligation and Disclosure Requirements) Requirements, 2015 and SEBI Circular bearing no. CIR/CFD/CMD/16/2015 dated March 10, 2017, the Audit Committee of the Applicant Company vide a resolution passed on September 19, 2018 recommended the Scheme to the Board of Directors of the Applicant Company, inter-alia, taking into account the Valuation Report dated 17th September 2018 issued by Thadani & Co. , Share Entitlement Ratio Report dated 12th September 2018 accompanied by the Addendum to the report dated 19th November, 2018 issued by Mahesh C. Solanki & Co.and Fairness Opinion dated September 19,2018 issued by Saffron Capital Advisors Private Limited, an independent Merchant Banker. The Board of Directors of the Applicant Company in its meeting held on September 19, 2018 approved the Scheme, inter alia, based on such recommendation of the Audit Committee.
3. **List of the Companies/Parties involved in the Scheme:**
 - a) Sayaji Hotels Limited ("Applicant"/" Transferee Company 1"/"Demerged Company");
 - b) Ahilya Hotels Limited ("Transferor Company 1");
 - c) Sayaji Housekeeping Services Limited ("Transferor Company 2");
 - d) Sayaji Hotels (Pune) Limited ("Resulting Company 1");

e) Sayaji Hotels Management Limited (“Transferee Company 2”/“Resulting Company 2”)

All the companies mentioned above are hereinafter referred to as “Applicant Companies”

4. Details of the Companies/Parties to the Scheme:

A. Sayaji Hotels Limited (‘SHL’)

- a) SHL was incorporated as Monali Land and Housing Company Private Limited on 5th April 1982 bearing registration number 5131 of 1982-83 with the Registrar of Companies, Ahmedabad under the provisions of the Companies Act, 1956. SHL was renamed as Sayaji Hotels Limited on 10th July 1987. SHL is a listed company bearing CIN: L51100TN1982PLC124332 primarily engaged in the business of owning, operating & managing hotels under multiple divisions namely: (i) Indore business, (ii) Baroda business, (iii) Pune business (iv) Housekeeping and Management business. The equity shares of SHL are listed and traded on the BSE Limited.
- b) On 3rd September 2018 the registered office of SHL was shifted from Kala Ghoda, Sayaji Gunj, opposite Rajashree Talkies, Baroda – 390005, Gujarat to F1 C2, in Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600117, Tamil Nadu.
- c) The main objects of SHL, as per the Memorandum of Association are as follows:
- To own, construct, run render technical advice in constructing, furnishing and running of, take-over, manage, carry on the business of motel, hotel, restaurant, cafe, tavern, bars, refreshment rooms, boarding and lodging house keepers, clubs, association in India and to provide lodging and boarding, restaurant, eating houses, bakery, confectionery, bar, swimming pools and other facilities to the public including tourists, visitors and delegates coming to India from foreign countries and to allow Indian as well as foreign delegates to hold international conferences, seminars etc. and to give all facilities to members of delegations, missions from abroad and foreign countries and to encourage and carry on and facilitate tourist trade in India.
 - To carry on the business of constructing houses, bungalows, factory sheds and to act as builders, civil engineers, contractors, architects, electrical and mechanical engineers, electricians and structural engineers, to undertake the construction of buildings, dams, bridges, structures, roads, paths, water works, tanks, wells, tube wells and hotels, to undertake erection of any iron and steel structures, bridges and arrange fabrication of any kinds of trustees, structural, angles, tubes and foundation materials, to carry on the business of layout engineers and contractors and to undertake to carry out any city or suburban extensions, buildings, roadways and bye-ways, lanes and alleys, laying out water and electrical connections for such buildings and in this connection to buy or take on lease any kind of vacant space and allot them for appropriated prices to the intending persons.
- d) The authorised, issued, subscribed and paid-up share capital of the Applicant Company as on June 30, 2019 was as set out below:

Particulars	Amount in INR
Authorized Capital	
30,000,000 Equity Shares of INR 10 each	300,000,000
1,000,000 Preference Shares of INR 100 each	100,000,000
Total	400,000,000
Issued, Subscribed and Paid-up	
17,518,000 Equity Shares of INR 10 each	175,180,000
1,000,000 10% Cumulative Redeemable Preference Shares of INR 100 each	100,000,000
Total	275,180,000

Subsequent to June 30, 2019, there has been no change in the capital structure of the Applicant Company.

- e) The details of the promoters and present directors of the Applicant Company along with their addresses are as follows:

i. Promoters

For Equity shares

SI No	Name	Address
1.	Raooof Razak Dhanani	281, Kalpataru Heights 28th Floor, Dr. A Nair Road, Mumbai Central, Mumbai – 400011, Maharashtra
2	Kayum Razak Dhanani	Goghs Garden Unit No. 0502, Kasturba Road Cross, Bangalore– 560001, Municipal No. 30, Ward No. 76, Bangalore North, Karnataka
3	Anisha Raooof Dhanani	Flat 281, 28th Floor, Kalpataru Heights, Dr. A. Nair Rd, Agripada, Mumbai – 400011
4	Suchitra Dhanani	SAAZ, BF 8 & 9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
5	Bipasha Dhanani	No. 76, Metropolitan Colony, 5TH A Cross, 2nd Stage, Banglore-560076
6	Rafiq Maqsood Merchant	Labunam Lcc 301 C, Sector 28, Sushantlok, Gurgaon (Haryana)
7	Shamim Sheikh	B-7, AWHO Colony, Bhupender Vihar, Scheme 78, Vijay Nagar, Indore – 452 010, Madhya Pradesh
8	Mansur MD. Ismail Memon	Plot No. 703, Sarthi Tower, Fatehgunj, Baroda – 390002, Gujarat
9	Late Shri. Sajid R. Dhanani	36, Arunoday Society, Alkapury, Vadodara – 390007, Gujarat
10	Azhar Yusuf Dhanani	Flat No 1903/1904 Sea Queen Heritage Plot No-6 Sec-18 Sanpada, Navi Mumbai – 400 705 Maharashtra
11	Ahilya Hotels Limited	F1 C2 Sivavel Apartment 2 Alagappa Nagar, Zamin Pallavaram, Chennai – -600117, Tamil Nadu

For Preference shares

SI No	Name	Address
1.	Saba Raooof Dhanani	Kalpataru Heights, 28th Floor, Flat 281 Dr A Nair Rd, Agripada, Police Station Agripada, Mumbai – 400011, Maharashtra
2.	Zuber Yusuf Dhanani	Flat No 1903 & 1904, Sea Queen Heritage, Plot No – 6, Sec-18 Sanpada, Navi Mumbai – 400705, Maharashtra
3.	Azhar Yusuf Dhanani	Flat No 1903 & 1904, Sea Queen Heritage, Plot No – 6, Sec-18 Sanpada, Navi Mumbai – 400705, Maharashtra
4.	Sadiya Dhanani	281, Kalpataru Heights, 28th Floor, Dr A Nair Rd, Agripada, Mumbai – 400011, Maharashtra
5.	Sanya Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh

SI No	Name	Address
6.	Suchitra Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
7.	Kayum Dhanani	Van Goghs, Garden Unit No. 0502, Kasturba Road Cross, Bangalore, Municipal ward No. 76, Bangalore North, Bangalore G.P.O., Bengaluru – 560001 Karnataka
8.	Akanksha Sara Dhanani	No.20 Vaswani Ashton Woods, Kariyammana Agrahara, Bellandur, Bengaluru – 560103, Karnataka

ii. Directors

SI No	Name	Address
1	Thottappully Narayanan Unni	F. No. 303-B, Yashraj Regency 10-Manorama Ganj, Meter No. 3190454 Indore – 452001 Madhya Pradesh
2	Raof Razak Dhanani	281, Kalpataru Heights 28th Floor, Dr. A Nair Road, Mumbai Central, Mumbai – 400011, Maharashtra
3	Suchitra Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
4	Kayum Razak Dhanani	Van Goghs, Garden Unit No. 0502, Kasturba Road Cross, Bangalore, Municipal ward No. 76, Bangalore North, Bangalore G.P.O., Bengaluru – 560001 Karnataka
5	Saquist Salim Agboatwala	B-1402, Klassik Tower, 14th Floor, Dr. Nair Road Agripada, Mumbai – 400011, Maharashtra
6	Abhay Chintaman Chaudhari	Flat No-907, R. K. Spectra, D.S.K. Ranwara Road, Patil Nagar, Bavdhan Bk Near Suryadatta College, Pune – 411021, Maharashtra

f) The amount due to Secured Creditors of Applicant Company as on February 8, 2019 is INR 655,217,238 and to Unsecured Creditors is INR 657,525,539.

B. Ahilya Hotels Limited ('AHL')

- a) AHL is an unlisted company which was incorporated as Ahilya Hotels Limited on 5th September 2000 bearing CIN: U55101TN2000PLC124333 with the Registrar of Companies, Gwalior under the provisions of the Companies Act, 1956.
- b) On 3rd September 2018 the registered office of the AHL was shifted from H-1, Scheme No – 54 Vijay Nagar, Indore, Madhya Pradesh, India, 452010 to F1 C2, Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600117, Tamil Nadu, India.
- c) The main object of AHL, as per the Memorandum of Association is as follows:
 - i. To own construct, run, render technical advice in constructing, furnishing and running of take over, manage, carry on the business of motel, hotel, cafe, tavern, bars, refreshment rooms, boarding and lodging house keepers, clubs, association in India and to provide lodging and boarding, restaurant, eating houses, bakery, confectionery, bar, swimming pools and other facilities to the public including tourists, visitors and delegates coming to India from foreign and to allow Indian as well as foreign delegates to hold international conferences, seminars etc. and to give all facilities to members of delegations, missions from abroad and foreign countries and to encourage and carry on and facilitate tourist trade in India.

d) The authorised, issued, subscribed and paid-up share capital of the AHL as on June 30, 2019 was as set out below:

Particulars	Amount in INR
Authorized Capital	
10,000,000 Equity Shares of INR 10 each	100,000,000
Total	100,000,000
Issued, Subscribed and Paid-up	
8,959,770 Equity Shares of INR 10 each	89,597,700
Total	89,597,700

Subsequent to June 30, 2019, there has been no change in the capital structure of AHL.

e) The details of the promoters and present directors of the Ahilya Hotels Limited along with their addresses are as follows:

i. Promoters

SI No	Name	Address
1	Suchitra Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
2	Sanya Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
3	Zoya Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
4.	Zuber Yusuf Dhanani	1903/1904, Sea Queen Heritage, CHS, Plot 6, Sec- 18, Sanpada, Navi Mumbai – 400705, Maharashtra
5.	Azhar Yusuf Dhanani	1903/1904, Sea Queen Heritage, CHS, Plot 6, Sec- 18, Sanpada, Navi Mumbai, PIN-400705, Maharashtra

ii. Directors

SI No	Name	Address
1	Suchitra Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
2	Sanya Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
3	Zoya Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh

f) There are no Secured Creditors of AHL as on February 8, 2019 and the amount due to Unsecured Creditors is INR 600,000.

C. Sayaji Housekeeping Services Limited ('SHKSL')

a) SHKSL was incorporated as Sayaji Housekeeping Services Limited on 16th March 2016 bearing CIN: U74900TN2016PLC124334 with the Registrar of Companies, Bangalore under the provisions of the Companies Act, 2013.

b) On 3rd September 2018 the registered office of SHKSL was shifted from No.62, Site No.13, 6th Cross N.S. Palya, BTM Layout Bangalore Karnataka, India, 560076 to F1 C2, in Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600117, Tamil Nadu, India.

c) The main objects of SHKSL, as per the Memorandum of Association are as follows:

i. To carry on the business of providing services and expertise for various cleaning and housekeeping requirements like dusting, sweeping, mopping, garbage removal, scrubbing, rinsing, periodical requirements of through cleaning, washing, brass/chrome polishing, floor scrubbing, vaccum cleaning, dry and wet cleaning sofa/carpet shampooing etc. as per the need of any facilities, organizations and/or business houses like office, hotels, shopping malls, call centers and guest houses, residential and farm house facilities etc. in India or elsewhere.

And to carry on the business of providing of manpower, machines, cleaning staff, agents and other related equipment's and material connected with housekeeping and cleaning requirements in connection to the above said object of the Company.

d) The authorised, issued, subscribed and paid-up share capital of SHKSL as on June 30, 2019 was as set out below:

Particulars	Amount in INR
Authorized Capital	
6,990,000 Equity Shares of INR 10 each	69,900,000
10,000 Preference Shares of INR 10 each	100,000
Total	70,000,000
Issued, Subscribed and Paid-up	
6,365,000 Equity Shares of INR 10 each	63,650,000
10,000 10% Preference Shares of INR 10 each	100,000
Total	63,750,000

Subsequent to June 30, 2019, there has been no change in the capital structure of SHKSL.

e) The details of the promoters and present directors of the SHKSL along with their addresses are as follows:

i. Promoters

For Equity shares

SI No	Name	Address
1	M/S Sayaji Hotels Limited	F1 C2 Sivavel Apartment, 2 Alagappa Nagar, Zamin Pallavaram, Chennai – 600117, Tamil Nadu

For Preference shares

SI No	Name	Address
1	M/S Sayaji Hotels Limited	F1 C2 Sivavel Apartment, 2 Alagappa Nagar, Zamin Pallavaram, Chennai – 600117, Tamil Nadu

ii. Directors

SI No	Name	Address
1	Raooof Razak Dhanani	281, Kalpataru Heights 28th Floor, Dr. A Nair Road, Mumbai Central, Mumbai – 400011, Maharashtra
2	Suchitra Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
3	Kayum Razak Dhanani	Van Goghs, Garden Unit No. 0502, Kasturba Road Cross, Bangalore, Municipal ward No. 76, Bangalore North, Bangalore G.P.O., Bengaluru – 560001 Karnataka

f) There are no Secured and Unsecured Creditors of SHKSL as on February 8, 2019.

D. Sayaji Hotels (Pune) Limited ('SHPL')

- a) SHPL was incorporated as Sayaji Hotels (Pune) Limited on 10th May 2018 bearing CIN: U55204TN2018PLC122599 with the Registrar of Companies, Chennai under the provisions of the Companies Act, 2013. The Registered Office of the company, at present, is situated at (C2/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600117, Tamil Nadu, India.
- b) The main object of SHPL, as per the Memorandum of Association is as follows:
- i. To own, construct, run render technical advice in constructing, furnishing and running of, take-over, manage, carry on the business of motel, hotel, restaurant, cafe, tavern, bars, refreshment rooms, boarding and lodging house keepers, clubs, association in India and to provide lodging and boarding, restaurant, eating houses, bakery, confectionery, bar, swimming pools and other facilities to the public including tourists, visitors and delegates coming to India from foreign countries and to allow Indian as well as foreign delegates to hold international conferences, seminars etc. and to give all facilities to members of delegations, missions form abroad and foreign countries and to encourage and carry on and facilitate tourist trade in India.
- c) The authorised, issued, subscribed and paid-up share capital of the SHPL as on June 30, 2019 was as set out below:

Particulars	Amount in INR
Authorized Capital	
50,000 Equity shares of INR 10 each	500,000
5,000 Preference shares of INR 100 each	500,000
Total	1,000,000
Issued, Subscribed and Paid-up	
50,000 Equity shares of INR 10 each	500,000
Total	500,000

Subsequent to June 30, 2019, there has been no change in the capital structure of SHPL.

- d) The details of the promoters and present directors of SHPL along with their addresses are as follows:

i. Promoters

SI No	Name	Address
1	M/S Sayaji Hotels Limited	F1 C2 Sivavel Apartment, 2 Alagappa Nagar, Zamin Pallavaram, Chennai – 600117, Tamil Nadu

ii. Directors

SI No	Name	Address
1	Raooof Razak Dhanani	281, Kalpataru Heights 28th Floor, Dr. A Nair Road, Mumbai Central, Mumbai – 400011, Maharashtra
2	Suchitra Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
3	Kayum Razak Dhanani	Van Goghs, Garden Unit No. 0502, Kasturba Road Cross, Bangalore, Municipal ward No. 76, Bangalore North, Bangalore G.P.O., Bengaluru – 560001 Karnataka

e) There are no Secured and Unsecured Creditors of SHPL as on February 8, 2019.

E. Sayaji Hotels Management Limited ('SHML')

- a) SHML was incorporated as Sayaji Hotels Management Limited on 14th May 2018 bearing CIN: U55205TN2018PLC122667 with the Registrar of Companies, Chennai under the provisions of the Companies Act, 2013. The Registered Office of the company, at present, is situated at (C2/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600117, Tamil Nadu.
- b) The main object of SHML, as per the Memorandum of Association is as follows:
- i. To own, construct, run and render technical advice in constructing, furnishing and running of, take-over, manage, carry on the business of motel, hotel, restaurant, cafe, tavern, bars, refreshment rooms, boarding and lodging house keepers, clubs, association in India and to provide lodging and boarding, restaurant, eating houses, bakery, confectionery, bar, swimming pools and other facilities to the public including tourists, visitors and delegates coming to India from foreign countries and to allow Indian as well as foreign delegates to hold international conferences, seminars etc. and to give all facilities to members of delegations, missions from abroad and foreign countries and to encourage and carry on and facilitate tourist trade in India.
- c) The authorised, issued, subscribed and paid-up share capital of the SHML as on June 30, 2019 was as set out below:

Particulars	Amount in INR
Authorized Capital	
50,000 Equity shares of INR 10 each	500,000
5,000 Preference shares of INR 100 each	500,000
Total	1,000,000
Issued, Subscribed and Paid-up	
50,000 Equity shares of INR 10 each	500,000
Total	500,000

Subsequent to June 30, 2019, there has been no change in the capital structure of SHML.

- d) The details of the promoters and present directors of the SHML along with their addresses are as follows:

i. Promoters

SI No	Name	Address
1	M/S Sayaji Hotels Limited	F1 C2 Sivavel Apartment, 2 Alagappa Nagar, Zamin Pallavaram, Chennai – 600117, Tamil Nadu

ii. Directors

SI No	Name	Address
1	Raof Razak Dhanani	281, Kalpataru Heights 28th Floor, Dr. A Nair Road, Mumbai Central, Mumbai – 400011, Maharashtra
2	Suchitra Dhanani	SAAZ, BF 8-9, Scheme No. 74-C, Vijay Nagar, Indore – 452 010, Madhya Pradesh
3	Kayum Razak Dhanani	Van Goghs, Garden Unit No. 0502, Kasturba Road Cross, Bangalore, Municipal ward No. 76, Bangalore North, Bangalore G.P.O., Bengaluru – 560001 Karnataka

e) There are no Secured Creditors of SHML as on February 8, 2019 and the amount due to Unsecured Creditors is INR 11,700,000.

5. Relationship subsisting between the companies who are parties to the Scheme

SHML, SHPL and SHKSL are the wholly owned subsidiary of the SHL. AHL is one of the Promoter of the SHL.

6. Details of the Board meeting at which the Scheme was approved by the Board of Directors of the Applicant Company, Transferor Companies, Transferee Companies and Resulting Companies including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution.

For SHL:

Date of Board meeting at which the Scheme was approved by the Board of Directors : 19th September, 2018.

SI No	Name of the directors	Details (Voted in favour/ voted against/ didn't vote)
1.	T. N. Unni	Voted in favour
2.	Raof Razak Dhanani	Voted in favour
3.	Suchitra Dhanani	Voted in favour
4.	Abhay Chintaman Chaudhari	Voted in favour
5.	*Sanjay Ahuja	Voted in favour

* Tourism Finance Corporation of India Ltd. has withdrawn the name of Mr. Sanjay Ahuja, Nominee Director from the Board of the Company with w.e.f. 20th February, 2019.

For AHL:

Date of the meeting at which the Scheme was approved by the Board of Directors : 20th September, 2018.

SI No	Name of the directors	Details (Voted in favour/ voted against/ didn't vote)
1.	Suchitra Dhanani	Voted in favour
2.	*Raof Razak Dhanani	Voted in favour

*Mr. Raof Razak Dhanani resigned from the post of the director w.e.f. 10.01.2019

For SHKSL:

Date of the meeting at which the Scheme was approved by the Board of Directors : 20th September, 2018.

SI No	Name of the directors	Details (Voted in favour/ voted against/ didn't vote)
1.	Suchitra Dhanani	Voted in favour
2.	Raof Razak Dhanani	Voted in favour

For SHPL:

Date of the meeting at which the Scheme was approved by the Board of Directors : 20th September, 2018

SI No	Name of the directors	Details (Voted in favour/ voted against/ didn't vote)
1.	Suchitra Dhanani	Voted in favour
2.	Raof Razak Dhanani	Voted in favour
3.	*Amit Sinha	Voted in favour

*Mr. Amit Sinha resigned from the post of the director w.e.f. 25.11.2018

For SHML:

Date of the meeting at which the Scheme was approved by the Board of Directors : 20th September, 2018

SI No	Name of the directors	Details (Voted in favour/ voted against/ didn't vote)
1.	Suchitra Dhanani	Voted in favour
2.	Raof Razak Dhanani	Voted in favour
3.	*Amit Sinha	Voted in favour

*Mr. Amit Sinha resigned from the post of the director w.e.f. 25.11.2018

7. Rationale and Benefits of the Scheme

The proposed amalgamation and arrangement would result in the following benefits:

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 (as defined in the Scheme) and the employees in the subsidiaries belonging to the Transferor Companies (as defined in the Scheme) 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.

8. Salient features / details / extract of the Scheme

- a) It is proposed to undertake the following corporate restructuring on the agreed terms and conditions as set out herein:
 - i. Amalgamation of AHL into SHL and reduction and cancellation of share capital of SHL.
 - ii. Demerger of Demerged Undertaking 1 ("Baroda Business") and Demerged Undertaking 2 ("Pune Business") of SHL into SHPL; Demerger of Demerged Undertaking 3 ("Housekeeping and Management business") of SHL into SHML and reduction and cancellation of share capital of Resulting Companies
 - iii. Reduction of share capital of the Resulting Companies.
 - iv. Amalgamation of SHKSL into SHML.
- b) The management proposes to achieve the above pursuant to Section 230 to 232 read with Section 52 and 66 and other applicable provisions of the Companies Act, 2013, in the manner set out herein.
- c) **"Appointed Date for Amalgamation"** means 1st April 2019 or such other date as may be fixed or approved by NCLT.
- d) **"Appointed Date for Demerger"** means 1st April 2019 or such other date as may be fixed or approved by the NCLT.
- e) **"Effective Date"** means the date on which the certified copies of the order of NCLT, sanctioning the Scheme is filed with the Registrar of Companies, Chennai.
- f) **Accounting Treatment** - Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Companies, Demerged Company and Resulting Companies shall give effect to

the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date for Amalgamation or Demerger, as the case may be. Further, The Transferor Company 2 and Transferee Company 2 both being entities under common control, the accounting would be as per the principles as set out in Appendix C of INDAS 103 'Business Combinations'

The features / details / extract set out above being only the salient features / details / extract of the Scheme as are statutorily required to be included in this Explanatory statement, the unsecured creditors are requested to read the entire text of the Scheme (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme.

9. The Valuation Report, Share Entitlement Ratio Report and the Fairness Opinion were also placed before the Board of Directors of the Company and approved by them at the meeting held on September 19, 2018.
10. In accordance with Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of SHL during its meeting held on September 19, 2018 recommended the proposed Scheme for approval of the Board of Directors of SHL inter alia taking into account:
 - a. Valuation Report issued by Thadani & Co., Chartered Accountants;
 - b. The Share Entitlement Ratio Report issued by Mahesh C. Solanki & Co., Chartered Accountants;
 - c. The Fairness Opinion issued by Saffron Capital Advisors Private Limited, Merchant Banker;
 - d. Statutory Auditors' certificate dated September 17, 2018 issued by K L Vyas & Co., Chartered Accountants, in relation to the accounting treatment prescribed in the Scheme.
11. The details of the present Directors and Key Managerial Personnel (KMPs) of the Transferor Companies, Demerged Company and Transferee Companies and their respective shareholdings in the Transferee Company and as on 30.06.2019 are as follows:

For SHL :

SI No.	Name	Equity shares held in the SHL	Preference shares held in the SHL
1.	Thottappully Narayanan Unni	0	0
2.	Raooof Razak Dhanani	3,898,751	0
3.	Suchitra Dhanani	280,029	125,000
4.	Kayum Razak Dhanani	3,638,079	125,000
5.	Saquib Salim Agboatwala	0	0
6.	Abhay Chintaman Chaudhari	0	0
7.	Sandesh Khandelwal	0	0
8.	Amit Sarraf	0	0

For AHL :

SI No.	Name	Equity shares held in the AHL	Preference shares held in the AHL
1	Suchitra Dhanani	63,26,460	0
2	Sanya Dhanani	1,316,635	0
3	Zoya Dhanani	1,316,635	0

For SHKSL :

SI No.	Name	Equity shares held in the SHKSL	Preference shares held in the SHKSL
1	Raooof Razak Dhanani	1	0
2	Suchitra Dhanani	0	0
3	Kayum Razak Dhanani	1	0
4	Lomas Sahu	0	0

For SHPL :

SI No.	Name	Equity shares held in the SHPL	Preference shares held in the SHPL
1	Raooof Razak Dhanani	1	0
2	Suchitra Dhanani	0	0
3	Kayum Razak Dhanani	0	0

For SHML:

SI No.	Name	Equity shares held in the SHML	Preference shares held in the SHML
1	Raooof Razak Dhanani	1	0
2	Suchitra Dhanani	0	0
3	Kayum Razak Dhanani	0	0

12. Pre and Post Arrangement Shareholding Pattern

The expected pre and post Scheme shareholding pattern of the Applicant Companies are as follows:

For AHL:**Equity Shares**

SI No	Description	Pre Scheme		Post Scheme	
		Number of shares	%	Number of shares	%
(A)	Promoter & Promoter Group	89,59,750	100%	0	0
(B)	Public	20	0	0	0
(C)	Non Promoter - Non Public	0	0	0	0
(C1)	Shares Underlying DRs	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0
Total		8,959,770	100.00	0	100.00

Note: Since AHL (Transferor Company 1) will be merged into the Applicant Company on Scheme of Amalgamation and Arrangement being effective, the Transferor Company 1 will stand dissolved, thus, there will be no post amalgamation shareholding pattern available.

**For SHL:
Equity Shares**

SI No	Description	Pre Scheme		Post Scheme	
		Number of shares	%	Number of shares	%
(A)	Promoter & Promoter Group	13,121,626	74.90	12,608,229	71.97
(B)	Public	4,396,374	25.10	4,909,503	28.03
(C)	Non Promoter - Non Public	0	0	0	0
(C1)	Shares Underlying DRs	0	0	0	0
(C2)	Shares Held By Employee Trust	0	0	0	0
Total		17,518,000	100.00	17,517,732	100.00

Preference Shares

SI No	Description	Pre Scheme		Post Scheme	
		Number of shares	%	Number of shares	%
(A)	Promoter & Promoter Group	10,00,000	100%	10,00,000	100%
(B)	Public	0	0	0	0
Total		10,00,000	100%	10,00,000	100.00

**For SHKSL:
Equity Shares**

SI No	Description	Pre Scheme		Post Scheme	
		Number of shares	%	Number of shares	%
(A)	Promoter & Promoter Group	63,650,000	100.00	0	0
Total		63,650,000	100.00	0	100.00

Preference Shares

SI No	Description	Pre Scheme		Post Scheme	
		Number of shares	%	Number of shares	%
(A)	Promoter & Promoter Group	10000	100%	0	0
(B)	Public	0	0	0	0
Total		0	100	0	0

Note: Since SHKSL (Transferor Company 2) will be merged into SHML on Scheme being effective, the Transferor Company 2 will stand dissolved, thus, there will be no post amalgamation shareholding pattern available.

**For SHPL:
Equity Shares**

SI No	Description	Pre Scheme		Post Scheme	
		Number of shares	%	Number of shares	%
(A)	Promoter & Promoter Group	50,000	100	2,192,736	71.97
(B)	Public	0	0	853,827	28.03
Total		50,000	100.00	3,046,563	100.00

Preference Shares

SI No	Description	Pre Scheme		Post Scheme	
		Number of shares	%	Number of shares	%
(A)	Promoter & Promoter Group	0	0	8	100%
(B)	Public	0	0	0	0
Total		0	0	8	100.00

**For SHML:
Equity Shares**

SI No	Description	Pre Scheme		Post Scheme	
		Number of shares	%	Number of shares	%
(A)	Promoter & Promoter Group	50,000	100	2,192,736	71.97
(B)	Public	0	0	853,827	28.03
Total		50,000	100.00	3,046,563	100.00

Preference Shares

SI No	Description	Pre Scheme		Post Scheme	
		Number of shares	%	Number of shares	%
(A)	Promoter & Promoter Group	0	0	8	100%
(B)	Public	0	0	0	0
Total		0	0	8	100.00

13. The Applicant Companies have made applications before the National Company Law Tribunal, Division Bench, Chennai as per Rule 3(1) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for the sanction of the Scheme under Section 230 read with Section 232 of the Companies Act, 2013.
14. In relation to the meeting of unsecured creditors, the unsecured creditors of the Applicant Company whose names are appearing in the records of the Company as on 5th July 2019 (cut-off date) shall be eligible to attend and vote at the meeting of the unsecured creditors of the Applicant Company convened at the directions of the Tribunal.

15. The rights and interests of the Equity Shareholders, Preference shareholders, Secured or Unsecured creditors, non-promoter members, depositors, debenture holders, deposit trustee and debenture trustee and employees of the Applicant Company and other companies will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner.
16. Except to the extent of the shares held by the Directors and the KMP stated in paragraph 11 above, none of the Directors, Key Managerial Personnels ('KMPs') of the Demerged Company or their respective relatives is in any way connected or interested in the resolution forming part of the Notice.
17. There is no likelihood that any Secured or Unsecured creditor of the Applicant Companies concerned would lose or be prejudiced as a result of the Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the Scheme will not cast any additional burden on the shareholders or creditors of either company nor will it affect the interest of any of the shareholders or creditors.
18. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 or the corresponding provisions of the Companies Act, 2013 against any of the companies involved in the Scheme.
19. As directed by the National Company Law Tribunal, Division Bench, Chennai, the Notice pursuant to Section 230(5) of the Companies Act, 2013 in the prescribed format along with a copy of the Scheme, the Explanatory statement and the disclosures provided herewith will be served within the prescribed time on the Statutory Authorities, as applicable.
20. Names and addresses of the Directors and KMPs of AHL are as under:

SI No.	Name of the director	Address
1	Suchitra Dhanani	SAAZ, Bf 8 & 9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
2	Sanya Dhanani	SAAZ, Bf 8 & 9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
3	Zoya Dhanani	SAAZ, Bf 8 & 9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh

21. Names and addresses of the Directors and KMPs of SHL are as under:

SI No.	Name of the director	Address
1	Thottappully Narayanan Unni	F. No. 303-B, Yashraj Regency 10-Manorama Ganj, Meter No. 3190454, Indore – 452001, Madhya Pradesh
2	Raof Razak Dhanani	281, Kalpataru Heights 28th Floor, Dr. A Nair Road, Mumbai Central, Mumbai – 400 011, Maharashtra
3	Suchitra Dhanani	SAAZ, BF 8 - 9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
4	Kayum Razak Dhanani	Van Goghs, Garden Unit No. 0502, Kasturba Road Cross, Bangalore, Municipal ward No. 76, Bangalore North, Bangalore G.P.O., Bengaluru – 560001 Karnataka
5	Saquib Salim Agboatwala	B-1402, Klassik Tower, 14th Floor, Dr. Nair Road, Agripada, Mumbai – 400011, Maharashtra

SI No.	Name of the director	Address
6	Abhay Chintaman Chaudhari	Flat No-907, R. K. Spectra, D.S.K. Ranwara Road, Patil Nagar, Bavdhan Bk, Near Suryadatta College, Pune – 411021 Maharashtra
7	Sandesh Khandelwal	15, Old Agrawal Nagar, Indore – 452001, G.P. Indore, Madhya Pradesh
8	Amit Sarraf	128, Mahaveer Nagar, Indore – 452001, Madhya Pradesh

22. Names and addresses of the Directors and KMPs of SHKSL are as under:

SI No.	Name of the director	Address
1	Raooof Razak Dhanani	281, Kalpataru Heights 28th Floor, Dr. A Nair Road, Mumbai Central, Mumbai – 400011, Maharashtra
2	Suchitra Dhanani	SAAZ, Bf 8 & 9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
3	Kayum Razak Dhanani	Van Goghs, Garden Unit No. 0502, Kasturba Road Cross, Bangalore, Municipal ward No. 76, Bangalore North, Bangalore G.P.O., Bengaluru – 560001 Karnataka
4.	Mr. Lomas Sahu	B-134, Pragati Nagar, Vir Savarkar Ward, Ward No. 11, Deepka, Korba, Chhattisgarh 495452

23. Names and addresses of the Directors and KMPs of SHPL are as under:

SI No.	Name of the director	Address
1	Raooof Razak Dhanani	281, Kalpataru Heights 28th Floor, Dr. A Nair Road, Mumbai Central, Mumbai – 400011, Maharashtra
2	Suchitra Dhanani	SAAZ, BF 8 & 9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
3	Kayum Razak Dhanani	Van Goghs, Garden Unit No. 0502, Kasturba Road Cross, Bangalore, Municipal ward No. 76, Bangalore North, Bangalore G.P.O., Bengaluru – 560001 Karnataka

24. Names and addresses of the Directors and KMPs of SHML are as under:

SI No.	Name of the director	Address
1	Raooof Razak Dhanani	281, Kalpataru Heights 28th Floor, Dr. A Nair Road, Mumbai Central, Mumbai – 400011, Maharashtra
2	Suchitra Dhanani	SAAZ, Bf 8 - 9, Scheme No. 74-C, Vijay Nagar, Indore – 452010, Madhya Pradesh
3	Kayum Razak Dhanani	Van Goghs, Garden Unit No. 0502, Kasturba Road Cross, Bangalore, Municipal ward No. 76, Bangalore North, Bangalore G.P.O., Bengaluru – 560001 Karnataka

25. At the meeting held on September 19, 2018, none of the directors had requested for leave of absence. The Board of Directors of the Applicant Company has at its meeting held on September 19, 2018 approved the Scheme.

26. APPROVALS AND SANCTIONS IN RELATION TO THE SCHEME

BSE Limited was appointed as the designated Stock Exchange by the Applicant Company for the purpose of co-ordinating with SEBI, pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The Applicant Company has received Observation letters regarding the Scheme from BSE Limited (BSE) dated January 25, 2019. As per the BSE Observation letter, we note that SEBI vide its letter dated 25th January 2019 has directed SHL to make additional disclosures in the scheme under the heading “action taken by SEBI/ RBI” disclosing action taken against their promoters by SEBI. In this regard, we have made adequate disclosures in the Scheme. Copy of the Observation letter received from BSE is attached to this Notice.

27. SUMMARY OF THE VALUATION REPORT, SHARE ENTITLEMENT RATIO REPORT AND FAIRNESS OPINION

- a. Valuation Report dated 17.09.2018 issued by Thadani & Company, Chartered Accountants providing the ratio as under –

Amalgamation of AHL into SHL:

“20 (Twenty) fully paid up equity shares of INR 10/- (INR Ten) each of SHL shall be issued and allotted for every 73 (Seventy Three) fully paid up equity shares of INR 10 (INR Ten) each held in AHL.”

- b. Share Entitlement Ratio Report dated 12.09.2018 issued by an independent firm of Chartered Accountants namely, Mahesh C. Solanki & Co., Chartered Accountants, providing the share entitlement ratio as under –

Demerger of Demerged Undertaking 1 and Demerged Undertaking 2 from SHL to SHPL:

“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”.

“1 (One) fully paid up 10% Cumulative Redeemable Preference Share of INR 100 (INR Hundred only) each of SHPL shall be issued and allotted for every 125,000 (One Lakh Twenty Five Thousand) fully paid up 10% Cumulative Redeemable Preference Share of INR 100 (INR Hundred only) each held in SHL”.

Demerger of Demerged Undertaking 3 from SHL to SHML:

“4 (Four) fully paid up equity share of INR 10 (INR Ten only) each of SHML 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”.

“1 (One) fully paid up 10% Cumulative Redeemable Preference Share of INR 100 (INR Hundred only) each of SHML shall be issued and allotted for every 125,000 (One Lakh Twenty Five Thousand) fully paid up 10% Cumulative Redeemable Preference Share of INR 10 (INR Hundred only) each held in SHL”.

Amalgamation of SHKSL into SHML:

No shares shall be issued in consideration for amalgamation of SHKSL into SHML since SHKSL would become a wholly owned subsidiary of SHML post demerger.

The Fairness Opinion dated September 19, 2018 issued by Saffron Capital Advisors Private Limited, Merchant Banker stated that the Valuation Report and Share Entitlement Ratio Report are fair and reasonable.

28. INSPECTION

The following documents will be open for inspection at the Registered Office of the Applicant Company up to 1 (one) day prior to the date of the meeting on all working days (except Saturdays, Sundays and Public Holidays between 11.00 A.M.to 5.00 P.M.

- a. Certified copy of the order passed by the National Company Law Tribunal, Division Bench, Chennai in Original Application No. CAs/565 to 569/CAA/2019, inter alia, directing the convening and holding of the meeting of the Equity Shareholders and Unsecured Creditors of the Applicant Company;
- b. Certified copy of the order passed by the National Company Law Tribunal, Division Bench, Chennai in Original Application No. CAs/565 to 569/CAA/2019, inter alia, dispensing with the convening and holding of the meeting of the Equity Shareholders and Unsecured Creditors of AHL;

- c. Certified copy of the order passed by the National Company Law Tribunal, Division Bench, Chennai in Original Application No. CAs/565 to 569/CAA/2019, inter alia, dispensing with the convening and holding of the meeting of the Equity Shareholders and Unsecured Creditors of SHML;
- d. Certified copy of the order passed by the National Company Law Tribunal, Division Bench, Chennai in Original Application No. CAs/565 to 569/CAA/2019, inter alia, dispensing with the convening and holding of the meeting of the Equity Shareholders of SHPL;
- e. Certified copy of the order passed by the National Company Law Tribunal, Division Bench, Chennai in Original Application No. CAs/565 to 569/CAA/2019, inter alia, dispensing with the convening and holding of the meeting of the Equity Shareholders and Preference Shareholders of SHKSL;
- f. Copies of the Memorandum and Articles of Association of the companies involved in the Scheme;
- g. Copies of the annual reports of the companies involved in the Scheme for the last three financial years ended March 31, 2018, March 31, 2017 and March 31, 2016;
- h. Copies of the audited financial statements of the companies involved in the Scheme for the year ended on March 31, 2019;
- i. Copy of Valuation Report dated September 17, 2018 issued by Thadani & Company, Chartered Accountants;
- j. Copy of the Share Entitlement Ratio Report dated September 12, 2018 issued by Mahesh C Solanki & Co., Chartered Accountants;
- k. Copy of the Fairness Opinion dated September 19, 2018 issued by Saffron Capital Advisors Private Limited, Merchant Banker;
- l. Copy of Statutory Auditors' certificate dated September 17, 2018 issued by K L Vyas & Co., Chartered Accountants, in relation to the accounting treatment prescribed in the Scheme is in compliance with Section 133 of the Companies Act, 2013;
- m. Register of Directors' Shareholding of the Applicant Companies;
- n. Copy of the Complaints Reports dated 22nd November 2018 submitted by SHL to BSE;
- o. Copy of the Audit Committee's Report dated 19th September 2018 of the Demerged Company;
- p. Copies of the resolutions dated 20th September 2018 and 19th September 2018 passed by the respective Board of Directors of the Applicant Companies approving the Scheme;
- q. Copy of the no objection/observation letters issued by BSE dated 25th January 2019 to SHL;
- r. Copy of contracts or agreements material to the arrangement; &
- s. Copy of the Scheme.

This Statement may be treated as an Explanatory statement under Section 230(3) read with Section 102 of the Companies Act, 2013. A copy of the Scheme, the Explanatory statement and the Form of Proxy may be obtained from the Registered Office of the Applicant Company at F1 C2, Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600 117, Tamil Nadu and/or from the Office of M/s. Pawan Jhabakh, Advocates, New no.115, First Floor, Luz Church Road, Mylapore, Chennai – 600004, Tamil Nadu.

Sd/-

Thottappully Narayanan Unni
(Chairman appointed for the Meeting)

Dated this July 5th, 2019 at Indore

SAYAJI HOTELS LIMITED

CIN: L51100TN1982PLC124332

Registered Office: F1 C2, Sivavel Apartment, 2, Alagappa Nagar,

Zamin Pallavaram, Chennai – 600 117, Tamil Nadu

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT
BETWEEN
SAYAJI HOTELS LIMITED
AND
AHILYA HOTELS LIMITED
AND
SAYAJI HOUSEKEEPING SERVICES LIMITED
AND
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

PREAMBLE

This Composite Scheme of Amalgamation and Arrangement ('the Scheme') provides for:

- a. Amalgamation of Ahilya Hotels Limited into Sayaji Hotels Limited on a going concern basis and cancellation and reduction of share capital of Sayaji Hotels Limited in the manner set out in the Scheme.
- b. Demerger, transfer and vesting of the Demerged Undertakings (as defined hereinafter) from Sayaji Hotels Limited to Sayaji Hotels (Pune) Limited and



For SAYAJI HOTELS LIMITED
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Sayaji Hotels Management Limited 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.

- 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 into Sayaji Hotels Management Limited on a going concern basis.

pursuant to the provisions of Sections 230 to 232 read with Section 52 and 66 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

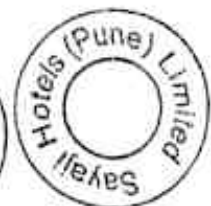
DESCRIPTION OF COMPANIES

- a) Ahilya Hotels Limited ('AHL') is an unlisted company which was incorporated as Ahilya Hotels Limited on 5th September 2000 bearing CIN: U55101TN2000PLC124333 with the Registrar of Companies, Gwalior under the provisions of the Companies Act, 1956. On 3rd September 2018 the registered office of SHL was shifted from H-1, Scheme No - 54 Vijay Nagar, Indore, Madhya Pradesh, India, 452010 to F1 C2, Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu, India, 600117. The main object of AHL, as per the Memorandum of Association is as follows:

- (1) To own construct, run, render technical advice in constructing, furnishing and running of take over, manage, carry on the business of motel, hotel, cafe, tavern, bars, refreshment rooms, boarding and lodging house keepers, clubs, association in India and to provide lodging and boarding, restaurant, eating houses, bakery, confectionery, bar, swimming pools and other facilities to the public including tourists, visitors and delegates coming to India from



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foreign and to allow Indian as well as foreign delegates to hold international conferences, seminars etc. and to give all facilities to members of delegations, missions from abroad and foreign countries and to encourage and carry on and facilitate tourist trade in India.

b) Sayaji Hotels Limited ('SHL') was incorporated as Monali Land and Housing Company Private Limited on 5th April 1982 bearing registration number 5131 of 1982-83 with the Registrar of Companies, Ahmedabad under the provisions of the Companies Act, 1956. SHL was renamed as Sayaji Hotels Limited on 10th July 1987. SHL is a listed company bearing CIN: L51100TN1982PLC124332 primarily engaged in the business of owning, operating & managing hotels under multiple divisions namely: (i) Indore business, (ii) Baroda business, (iii) Pune business (iv) Housekeeping and Management business. The equity shares of SHL are listed and traded on the BSE Limited. On 3rd September 2018 the registered office of SHL was shifted from Kala Ghoda, Sayaji Gunj, opposite Rajashree Talkies, Baroda, Gujarat, India, 390005 to F1 C2, in Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu, India, 600117. The main objects of SHL, as per the Memorandum of Association are as follows:

(1) To own, construct, run render technical advice in constructing, furnishing and running of, take-over, manage, carry on the business of motel, hotel, restaurant, cafe, tavern, bars, refreshment rooms, boarding and lodging house keepers, clubs, association in India and to provide lodging and boarding, restaurant, eating houses, bakery, confectionery, bar, swimming pools and other facilities to the public including tourists, visitors and delegates coming to India from foreign countries and to allow Indian as well as foreign delegates to hold international conferences, seminars etc. and to give all facilities to members of delegations, missions form abroad and foreign countries and to encourage and carry on and facilitate tourist trade in India.



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(2) To carry on the business of constructing houses, bungalows, factory sheds and to act as builders, civil engineers, contractors, architects, electrical and mechanical engineers, electricians and structural engineers, to undertake the construction of buildings, dams, bridges, structures, roads, paths, water works, tanks, wells, tube wells and hotels, to undertake erection of any iron and steel structures, bridges and arrange fabrication of any kinds of trustees, structural, angles, tubes and foundation materials, to carry on the business of layout engineers and contractors and to undertake to carry out any city or suburban extensions, buildings, roadways and bye-ways, lanes and alleys, laying out water and electrical connections for such buildings and in this connection to buy or take on lease any kind of vacant space and allot them for appropriated prices to the intending persons.

c) Sayaji Housekeeping Services Limited ('SHKSL') was incorporated as Sayaji Housekeeping Services Limited on 16th March 2016 bearing CIN: U74900TN2016PLC124334 with the Registrar of Companies, Bangalore under the provisions of the Companies Act, 2013. On 3rd September 2018 the registered office of SHKSL was shifted from No.62, Site No.13, 6th Cross N.S. Paiya, BTM Layout Bangalore Karnataka, India, 560076 to F1 C2, in Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu, India, 600117. The main objects of SHKSL, as per the Memorandum of Association are as follows:

(1) To carry on the business of providing services and expertise for various cleaning and housekeeping requirements like dusting, sweeping, mopping, garbage removal, scrubbing, rinsing, periodical requirements of through cleaning, washing, brass/chrome polishing, floor scrubbing, vaccum cleaning, dry and wet cleaning sofa/carpet shampooing etc. as per the need of any facilities, organizations and/or business houses like office, hotels, shopping



malls, call centers and guest houses, residential and farm house facilities etc. in India or elsewhere.

And to carry on the business of providing of manpower, machines ,cleaning staff, agents and other related equipment's and material connected with housekeeping and cleaning requirements in connection to the above said object of the Company

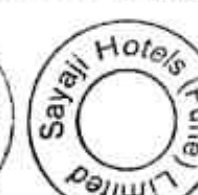
d) Sayaji Hotels (Pune) Limited ('SHPL') was incorporated as Sayaji Hotels (Pune) Limited on 10th May 2018 bearing CIN: U55204TN2018PLC122599 with the Registrar of Companies, Chennai under the provisions of the Companies Act, 2013. The Registered Office of the company, at present, is situated at (C2/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu, India, 600117. The main object of SHPL, as per the Memorandum of Association is as follows:

(1) To own, construct, run render technical advice in constructing, furnishing and running of, take-over, manage, carry on the business of motel, hotel, restaurant, cafe, tavern, bars, refreshment rooms, boarding and lodging house keepers, clubs, association in India and to provide lodging and boarding, restaurant, eating houses, bakery, confectionery, bar, swimming pools and other facilities to the public including tourists, visitors and delegates coming to India from foreign countries and to allow Indian as well as foreign delegates to hold international conferences, seminars etc. and to give all facilities to members of delegations, missions form abroad and foreign countries and to encourage and carry on and facilitate tourist trade in India.

e) Sayaji Hotels Management Limited ('SHML') was incorporated as Sayaji Hotels Management Limited on 14th May 2018 bearing CIN: U55205TN2018PLC122667 with the Registrar of Companies, Chennai under the provisions of the Companies Act, 2013. The Registered Office of the company, at present, is situated at (C2/F1), in Siva Vel Apartment, No. 2, Alagappa



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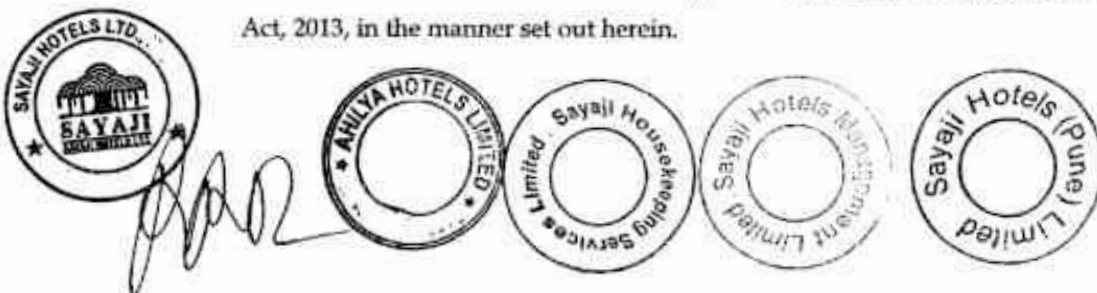


Nagar, Zamin Pallavaram, Chennai, Tamil Nadu, India, 600117. The main object of SHML, as per the Memorandum of Association is as follows:

- (1) To own, construct, run render technical advice in constructing, furnishing and running of, take-over, manage, carry on the business of motel, hotel, restaurant, cafe, tavern, bars, refreshment rooms, boarding and lodging house keepers, clubs, association in India and to provide lodging and boarding, restaurant, eating houses, bakery, confectionery, bar, swimming pools and other facilities to the public including tourists, visitors and delegates coming to India from foreign countries and to allow Indian as well as foreign delegates to hold international conferences, seminars etc. and to give all facilities to members of delegations, missions form abroad and foreign countries and to encourage and carry on and facilitate tourist trade in India.

BACKGROUND AND RATIONALE FOR THE SCHEME

- a) It is proposed to undertake the following corporate restructuring on the agreed terms and conditions as set out herein:
 - i. Amalgamation of AHL into SHL and reduction and cancellation of share capital of SHL.
 - ii. Demerger of Demerged Undertaking 1 and Demerged Undertaking 2 of SHL into SHPL; Demerger of Demerged Undertaking 3 of SHL into SHML and reduction and cancellation of share capital of Resulting Companies.
 - iii. Reduction of share capital of the Resulting Companies.
 - iv. Amalgamation of SHKSL into SHML.
- b) The management proposes to achieve the above pursuant to Section 230 to 232 read with Section 52 and 66 and other applicable provisions of the Companies Act, 2013, in the manner set out herein.



- c) The proposed amalgamation and arrangement would inter alia result in the following benefits:

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.

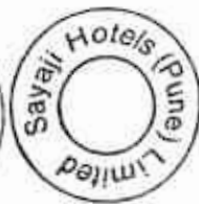
Further, SHL will demerge Demerged Undertaking 1 ('Baroda business') and Demerged Undertaking 2 ('Pune business') into SHPL, Demerged Undertaking 3 ('Housekeeping and Management business') into SHML.

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



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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.

PARTS OF THE SCHEME

The Scheme is divided into the following parts:

PART A: Definitions and Share capital

PART B: Amalgamation of AHL into SHL and reduction and cancellation of share capital of SHL

PART C: Transfer of Demerged Undertakings from SHL and its vesting in Resulting Companies, reduction and matters incidental thereto

PART D: Amalgamation of SHKSL into SHML

PART E: General Terms and Conditions

This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART A

DEFINITIONS AND SHARE CAPITAL

1 Definitions

In this Scheme, 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 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.2 "Amalgamation" shall mean the transfer and vesting of the undertaking of the Transferor Company 1 in the Transferee Company 1 and Transferor Company 2 in Transferee Company 2 in accordance with the Scheme by way of merger by absorption.
- 1.3 "Appointed Date for Amalgamation" means 1st April 2019 or such other date as may be fixed or approved by the Competent Authority.
- 1.4 "Appointed Date for Demerger" means 1st April 2019 or such other date as may be fixed or approved by the Competent Authority.
- 1.5 "Board of Directors" or "Board" in relation to the AHL, SHL, SHKSL, SHPL and SHML, as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.
- 1.6 "Competent Authority" the National Company Law Tribunal ("NCLT") bench at Chennai as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any Composite Scheme of Amalgamation and Arrangement under the relevant provisions of the Act.
- 1.7 "Demerged Company" or "Transferee Company 1" or "SHL" means Sayaji Hotels Limited, a listed company incorporated on 5th April 1982 under the provisions of the Companies Act, 1956 and having its registered office at F1 C2, in Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu, India, 600117.
- 1.8 "Demerged Undertaking 1" means the entire Baroda business, as a going concern as on the Appointed Date for Demerger which consists of 3 star hotel located at Kala Ghoda, Sayajiganj, Vadodara with centrally air conditioned rooms and restaurants. The same includes all assets, contracts, identified investments, rights, approvals, licenses, powers, debts, outstandings, liabilities,



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duties, obligations, employees pertaining to the Baroda business including, but not in any way limited to, the following:

- a) all assets, as are movable in nature pertaining to and in relation to the Baroda business, whether present or future or contingent, tangible or intangible, in possession or reversion, including electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipment, computers, communication facilities, installations, vehicles, inventory and tools and plants, actionable claims, current assets, earnest monies and sundry debtors, financial assets, identified investment, outstanding loans and advances recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, GST credits or set-offs;
- b) all consents benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Baroda business;
- c) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, joint venture agreement, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service



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providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Baroda business;

- d) all rights to use and avail 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 interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by SHL pertaining to or in connection with the Baroda business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by SHL and pertaining to the Baroda business;
- e) all the credits for taxes such as sales tax, service tax, CENVAT, GST, credits under Income-tax Act, 1961 that pertain to the Baroda business. In case, there is any credit or GST, CENVAT, income tax, tax deducted at source, refunds etc. pertaining to Baroda business and paid or deemed to be paid by SHL but could not be transferred, such amounts shall be appropriately reimbursed;
- f) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service



providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Baroda business;

- g) all debts, liabilities, duties, taxes and obligations of SHL pertaining to the Baroda business;
- h) all employees of SHL employed/engaged in the Baroda business as on the Effective Date; and
- i) all legal proceedings, including quasi-judicial, arbitral and other administrative proceedings of whatsoever nature relating to the Baroda business.

Explanation:

In case of any question that may arise as to whether a specific asset or liability or employee pertains or does not pertain to the said Demerged Undertaking 1 or whether it arises out of the activities or operations of the Demerged Undertaking 1 shall be decided by a mutual agreement between the Board of Directors of SHL and SHPL.

- 1.9 "Demerged Undertaking 2" means Pune business, as a going concern as on the Appointed Date for Demerger which consists of Pune hotel built on freehold land on the Baner Road. It was a greenfield project set up in 2008. It caters to the business districts of Hinjewadi and Wakad. It houses a 180 seat Barbeque Nation on the rooftop along with three banquet venues to cater to weddings and corporates. The same includes all assets, contracts, identified investments, rights, approvals, licenses, powers, debts, outstandings, liabilities, duties, obligations, employees pertaining to the Pune business including, but not in any way limited to, the following:

- a) all assets, as are movable in nature pertaining to and in relation to the Pune business, whether present or future or contingent, tangible or intangible, in possession or reversion, including electrical fittings, furniture, fixtures,



appliances, accessories, power lines, office equipment, computers, communication facilities, installations, vehicles, inventory and tools and plants, actionable claims, current assets, earnest monies and sundry debtors, financial assets, identified investment, outstanding loans and advances recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, GST credits or set-offs;

- b) all consents benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Pune business;
- c) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, joint venture agreement, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Pune business;



- d) all rights to use and avail 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 interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by SHL pertaining to or in connection with the Pune business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by SHL and pertaining to the Pune business;
- e) all the credits for taxes such as sales tax, service tax, CENVAT, GST, credits under Income-tax Act, 1961 that pertain to the Pune business. In case, there is any credit or GST, CENVAT, income tax, tax deducted at source, refunds etc. pertaining to Pune business and paid or deemed to be paid by SHL but could not be transferred, such amounts shall be appropriately reimbursed;
- f) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Pune business;
- g) all debts, liabilities, duties, taxes and obligations of SHL pertaining to the Pune business;



- h) all employees of SHL employed/engaged in the Pune business as on the Effective Date; and
- i) all legal proceedings, including quasi-judicial, arbitral and other administrative proceedings of whatsoever nature relating to the Pune business.

Explanation:

In case of any question that may arise as to whether a specific asset or liability or employee pertains or does not pertain to the said Demerged Undertaking 2 or whether it arises out of the activities or operations of the Demerged Undertaking 2 shall be decided by a mutual agreement between the Board of Directors of SHL and SHPL.

1.10 "Demerged Undertaking 3" means Housekeeping and Management business, as a going concern as on the Appointed Date for Demerger which consists of shares of SHKSL held by SHL and contracts entered by SHL with Kolhapur, Bhopal, Raipur, Baroda (Prinite) and Hill Road, Mumbai. The same includes all assets, contracts, identified investments, rights, approvals, licenses, powers, debts, outstandings, liabilities, duties, obligations, employees pertaining to the Baroda business including, but not in any way limited to, the following:

- a) all assets, as are movable in nature pertaining to and in relation to the Housekeeping and Management business, whether present or future or contingent, tangible or intangible including brands and trademarks like 'Sayaji', 'Kebabsville', 'Sanchi', 'Chopsticks Medditera' etc., in possession or reversion, including electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipment, computers, communication facilities, installations, vehicles, inventory and tools and plants, actionable claims, current assets, earnest monies and sundry debtors, financial assets, identified investment, outstanding loans and advances recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with



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Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, GST credits or set-offs;

- b) all consents benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Housekeeping and Management business;
- c) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, joint venture agreement, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Housekeeping and Management business;
- d) all rights to use and avail 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 interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and



advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by SHL pertaining to or in connection with the Housekeeping and Management business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by SHL and pertaining to the Housekeeping and Management business;

- e) all the credits for taxes such as sales tax, service tax, CENVAT, GST, credits under Income-tax Act, 1961 that pertain to the Housekeeping and Management business. In case, there is any credit or GST, CENVAT, income tax, tax deducted at source, refunds etc. pertaining to Housekeeping and Management business and paid or deemed to be paid by SHL but could not be transferred, such amounts shall be appropriately reimbursed;
- f) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programs, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Housekeeping and Management business;
- g) all debts, liabilities, duties, taxes and obligations of SHL pertaining to the Housekeeping and Management business;
- h) all employees of SHL employed/engaged in the Housekeeping and Management business as on the Effective Date; and



- i) all legal proceedings, including quasi-judicial, arbitral and other administrative proceedings of whatsoever nature relating to the Housekeeping and Management business.

Explanation:

In case of any question that may arise as to whether a specific asset or liability or employee pertains or does not pertain to the said Demerged Undertaking 3 or whether it arises out of the activities or operations of the Demerged Undertaking 3 shall be decided by a mutual agreement between the Board of Directors of SHL and SHML.

- 1.11 "Demerged Undertakings" means Demerged Undertaking 1, Demerged Undertaking 2 and Demerged Undertaking 3 collectively.
- 1.12 "Demerger" means transfer and vesting of Demerged Undertakings from Demerged Company to Resulting Companies in terms of Section 2(19AA) of the Income tax Act, 1961, as provided in Part D of the Scheme.
- 1.13 "Effective Date" means the date on which the certified copies of the order of Competent Authority, sanctioning the Scheme is filed with the Registrar of Companies, Chennai.
- 1.14 "Encumbrance" or to "Encumber" means without limitation any options, claim, pre-emptive right, easement, limitation, attachment, restraint, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law.
- 1.15 "Record Date" means, in connection with the Amalgamation and Demerger, the date to be fixed by the respective Boards of the Transferor Companies, Demerged Company and the Resulting Companies for the purpose of determining the shareholders of the Transferor Company 1 and Demerged



Company to whom shares of the Transferee Company 1 and Resulting Companies respectively shall be allotted pursuant to the Amalgamation and Demerger under this Scheme.

- 1.16 "Remaining Business" with respect to SHL means business, employees, all assets and liabilities of SHL and AHL other than Demerged Undertakings.
- 1.17 "Resulting Company 1" or "SHPL" means Sayaji Hotels (Pune) Limited, a company incorporated on 10th May 2018 under the provisions of the Companies Act, 2013 and having its registered office at (C2/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu, India, 600117.
- 1.18 "Resulting Company 2" or "Transferee Company 2" or "SHML" means Sayaji Hotels Management Limited, a company incorporated on 14th May 2018 under the provisions of the Companies Act, 2013 and having its registered office at (C2/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu, India, 600117.
- 1.19 "Resulting Companies" means and includes Resulting Company 1 and Resulting Company 2.
- 1.20 "Scheme" or "the Scheme" or "this Scheme" or "the Composite Scheme" means this Scheme of Amalgamation and Arrangement in its present form as submitted to the Competent Authority or this Scheme with such modification(s), if any made, as per Clause 49 of the Scheme.
- 1.21 "SEBI" means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.22 "Transferor Company 1" or "AHL" means Ahilya Hotels Limited, a public limited company incorporated as on 5 September 2000 under the provisions of the Companies Act, 1956 and having its registered office at F1 C2, in Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu, India, 600117.



- 1.23 "Transferor Company 2" or "SHKSL" means Sayaji Housekeeping Services Limited, a public limited company incorporated as on 16 March 2016 under the provisions of the Companies Act, 2013 and having its registered office at F1 C2, in Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu, India, 600117.
- 1.24 "Transferor Companies" means and includes Transferor Company 1 and Transferor Company 2.
- 1.25 Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.
- 1.26 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 Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2 SHARE CAPITAL

2.1 The share capital of AHL as at 30th June, 2018 is as under:

Particulars	Amount in INR
Authorized Capital	
10,000,000 Equity Shares of INR 10 each	100,000,000
Total	100,000,000
Issued, Subscribed and Paid-up	
8,959,770 Equity Shares of INR 10 each	89,597,700
Total	89,597,700




There has been no change in the share capital of AHL post 30th June, 2018.

2.2 The share capital of SHL as at 30th June, 2018 is as under:

Particulars	Amount in INR
Authorized Capital	
30,000,000 Equity Shares of INR 10 each	300,000,000
1,000,000 Preference Shares of INR 100 each	100,000,000
Total	400,000,000
Issued, Subscribed and Paid-up	
17,518,000 Equity Shares of INR 10 each	175,180,000
1,000,000 10% Cumulative Redeemable Preference Shares of INR 100 each	100,000,000
Total	275,180,000

There has been no change in the share capital of SHL post 30th June, 2018.

2.3 The share capital of SHKSL as at 30th June, 2018 is as under:

Particulars	Amount in INR
Authorized Capital	
6,990,000 Equity Shares of INR 10 each	69,900,000
10,000 Preference Shares of INR 10 each	100,000
Total	70,000,000
Issued, Subscribed and Paid-up	
6,365,000 Equity Shares of INR 10 each	63,650,000
10,000 10% Preference Shares of INR 10 each	100,000



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Total	63,750,000
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There has been no change in the share capital of SHKSL post 30th June, 2018.

2.4 The share capital of the SHPL as at 30th June 2018 is as under:

Particulars	Amount in INR
Authorized Capital	
50,000 Equity shares of INR 10 each	500,000
5,000 Preference shares of INR 100 each	500,000
Total	1,000,000
Issued, Subscribed and Paid-up	
50,000 Equity shares of INR 10 each	500,000
Total	500,000

There has been no change in the share capital of SHPL post 30th June 2018.

2.5 The share capital of the SHML as at 30th June 2018 is as under:

Particulars	Amount in INR
Authorized Capital	
50,000 Equity shares of INR 10 each	500,000
5,000 Preference shares of INR 100 each	500,000
Total	1,000,000
Issued, Subscribed and Paid-up	
50,000 Equity shares of INR 10 each	500,000
Total	500,000



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There has been no change in the share capital of SHML post 30th June 2018.

PART B

**AMALGAMATION OF AHL INTO SHL AND REDUCTION AND
CANCELLATION OF SHARE CAPITAL OF SHL**

3 DATE OF TAKING EFFECT AND OPERATIVE DATE

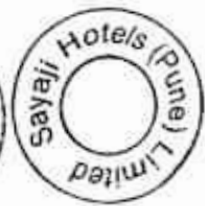
The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 49 of the Scheme, approved or imposed or directed by the NCLT, shall be effective from the Appointed Date for Amalgamation but shall be made operative from the Effective Date.

4 TRANSFER AND VESTING

- 4.1 With effect from the Appointed Date for Amalgamation, the entire business of Transferor Company 1 including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, agreements of whatever nature but not limited to shareholders agreements, share subscription agreements or any right devolving pursuant to such agreements (either entered into or vested in terms of any legal process), holding of investments, power to appoint directors, any agreement for commission, management fees, permits, quotas, approvals, development rights, lease, tenancy rights, permissions, incentives, if any, and all other rights, title, interest, contracts, consent, approvals or powers of every kind nature and descriptions whatsoever shall under the provisions of the Act and pursuant to the orders of the Competent Authority or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date be transferred and/or deemed to be transferred to and vested in Transferee Company 1, as



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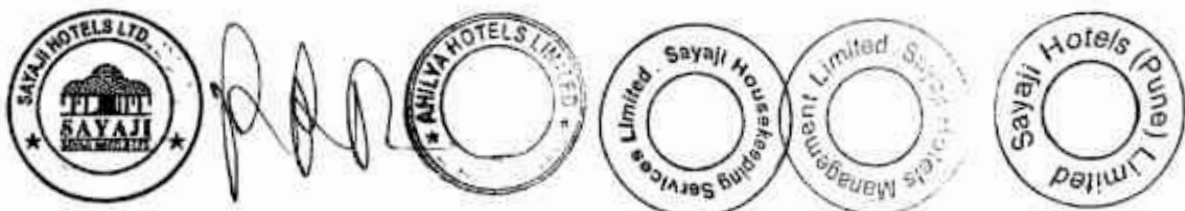


going concern, so as to become the properties and assets of Transferee Company 1.

- 4.2 The transfer and vesting of the properties and assets 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 Transferor Company 1 is party wherein the assets of Transferor Company 1 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 Transferor Company 1 and vested in Transferee Company 1 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 1.

PROVIDED that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Company 1 which shall vest in Transferee Company 1 by virtue of the Scheme and Transferee Company 1 shall not be obliged to create any further, or additional security thereof after the merger has become effective or otherwise.

- 4.3 All the immovable properties of Transferor Company 1, including land together with the buildings and structures standing thereon and rights and interests in the immovable properties of Transferor Company 1, whether freehold or leasehold (unless the lessor of the leasehold properties is Transferee Company 1, in which case, the relevant lease shall become redundant and shall cease to have any effect) or otherwise and all documents of title, right and easement in relation thereto shall stand transferred to and be vested in and transferred to and/ or be deemed to have been and stand transferred to and vested in Transferee Company 1, without any further act or deed done or being required to be done by Transferor Company 1 and/ or Transferee Company 1. Transferee Company 1 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the



ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme being effective, be made and duly recorded in the name of Transferee Company 1 by the appropriate authorities pursuant to the sanction of this Scheme by the Competent Authority in accordance with the terms hereof.

- 4.4 All the movable assets of Transferor Company 1 or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to Transferee Company 1 to the end and intent that the property therein passes to Transferee Company 1 on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of Transferee Company 1 accordingly.
- 4.5 In respect of movable assets, other than those specified in Clause 4.4 above, the same shall, without further act, instrument or deed, be transferred and/or deemed to be transferred to and vested in Transferee Company 1 pursuant to the provisions of the Act and Transferor Company 1 shall give notice in such form as it deems fit to such persons, that pursuant to the order of the Competent Authority, the said assets would be paid or made good to or held on account of Transferee Company 1 and the rights of Transferor Company 1 will vest with Transferee Company 1 upon this Scheme becoming effective.
- 4.6 All intellectual property rights of any nature whatsoever, including any and all registrations, goodwill, licenses trademarks, service marks, copyrights, domain names, application for copyrights, trade names and trademarks, if any, appertaining to Transferor Company 1, if any, shall stand transferred to and vested in Transferee Company 1.
- 4.7 All secured and unsecured debts (in INR), all liabilities whether provided for or not in the books of Transferor Company 1, duties and obligations of Transferor Company 1 along with any charge, encumbrance, lien or security



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thereon (hereinafter referred to as the "said Liabilities") shall be and stand transferred to and vested in or deemed to have been transferred to and vested in Transferee Company 1, so as to become the debts, liabilities, duties and obligations of Transferee Company 1, 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 such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. It is clarified that in so far as the assets of Transferee Company 1 are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of Transferor Company 1 shall without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of Transferor Company 1, save to the extent warranted by the terms of the existing security arrangements to which any of Transferor Company 1 and Transferee Company 1 are parties, and consistent with the joint obligations assumed by them under such arrangement.

- 4.8 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by Transferor Company 1 after the Appointed Date for Amalgamation, shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company 1 and to the extent they are outstanding on the Effective Date.
- 4.9 The Transferee Company 1 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 favor of the secured creditors of Transferor Company 1 or in favor of any other party to any contract or arrangement to which Transferor Company 1 is party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. Transferee Company 1 shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of Transferor Company 1 and to implement or carry out all such formalities or compliance



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referred to above on the part of Transferor Company 1 to be carried out or performed.

- 4.10 Upon the coming into effect of the Scheme, benefits of all taxes paid including but not limited to MAT paid, advance taxes and tax deducted at source, right to carry forward and set off unabsorbed tax losses, unutilized MAT credit under the provisions of the Income Tax Act, 1961 ("IT Act"), right to claim deductions under the provisions of the IT Act, including its continuing benefits, by Transferor Company from the Appointed Date for Amalgamation, regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of Transferee Company 1 as effectively as if Transferee Company 1 had paid the same and shall be deemed to be the rights/claims of Transferee Company 1. All un-availed credits, set offs, claims for refunds under any State VAT Acts, CST Acts, Central Excise, Customs Act, Service Tax provisions, Goods and Services Act or any other State or Central statutes regardless of the period to which they may relate, shall stand transferred to the benefit of and shall be available in the hands of Transferee Company 1 without restrictions under the respective provisions.
- 4.11 With effect from the Appointed Date for Amalgamation, properties including freehold & leasehold properties, leases, estates, assets, contracts, deeds, rights, titles, interests, benefits, licenses, consents, allotment letters, sanctions, approvals, permissions and authorizations etc. to carry on the operations and business of Transferor Company 1 shall stand vested in or transferred to Transferee Company 1 without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favor of the Transferee Company 1. 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 1 pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or



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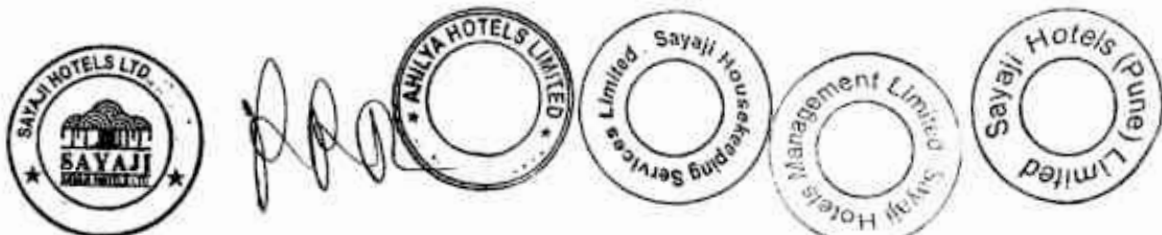


availed of by Transferor Company 1, is concerned, the same shall vest with and be available to Transferee Company 1 on the same terms and conditions. In relation to such transfer and vesting, any procedural requirement required to be fulfilled solely by Transferor Company 1 (and not by any of its successor) shall be fulfilled by Transferee Company 1 as if it is the duly constituted attorney of that Transferor Company 1.

- 4.12 Transferor Company 1, at any times after this Scheme becomes effective in accordance with the provisions hereof, and in the capacity of the successor entity of the Transferor Company 1, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/ obtain the approvals, permissions, rights, titles, interests, benefits, licenses, consents, allotment letters, sanctions, and authorizations etc.
- 4.13 It is further clarified that, if the consent of any third party or authority is required to give effect to the aforementioned provisions of Clause 4, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/ endorsement in the name of Transferee Company 1 pursuant to sanction of this Scheme by the Competent Authority, and upon this Scheme being effective in accordance with the terms thereof. For this purpose, the Transferee Company 1 shall file appropriate applications/ documents with relevant authorities concerned for information and record purpose.

5 CONSIDERATION FOR THE PROPOSED AMALGAMATION

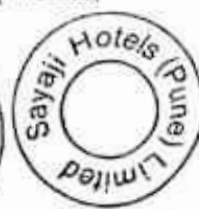
- 5.1 Upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the assets and liabilities of the Transferor Company 1, the Transferee Company 1 shall, without any further act or deed, issue and allot fully paid up equity share, credited as fully paid-up, to the members of the Transferor Company 1 (other than the Transferee Company 1), holding fully paid up equity shares in Transferor Company 1 and whose names appear in the register of members of Transferor Company 1 on the Record Date or to such



of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner:

"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".

- 5.2 In the event of any increase in the issued, subscribed or paid up share capital of the Transferor Company 1, issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of consolidation, share split, issue of bonus shares, or other similar action, that occurs before Record Date, the share entitlement ratio (as mentioned in Clause 5.1) shall be appropriately adjusted to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 5.3 The equity shares to be issued and allotted by Transferee Company 1 to the equity shareholders of Transferor Company 1 shall be subject to the Scheme, the memorandum and articles of association of Transferee Company 1 and applicable laws and shall rank *pari passu* in all respects with the then existing equity shares of Transferee Company 1.
- 5.4 No shares shall be allotted in respect of fractional entitlements, by Transferee Company 1 to which the members of Transferor Company 1 may be entitled on allotment of shares. The Board of Transferee Company 1 shall, at its absolute discretion, decide to take any or a combination of the following actions:
- (i) consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person/ trustee authorized by the Board of Transferee Company 1 in this behalf who shall hold the shares in trust on behalf of the members of Transferor Company 1 entitled to fractional entitlements with the express understanding that such person shall sell the shares of Transferee Company 1 so allotted on the Stock Exchanges at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds,



subject to tax deductions and other expenses as applicable, to the members of Transferor Company 1 in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to a person authorized by the Board of Transferee Company 1 by virtue of consolidation of fractional entitlements is a fraction, it shall be rounded off to the next higher integer.

(ii) round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant shareholders of Transferor Company 1.

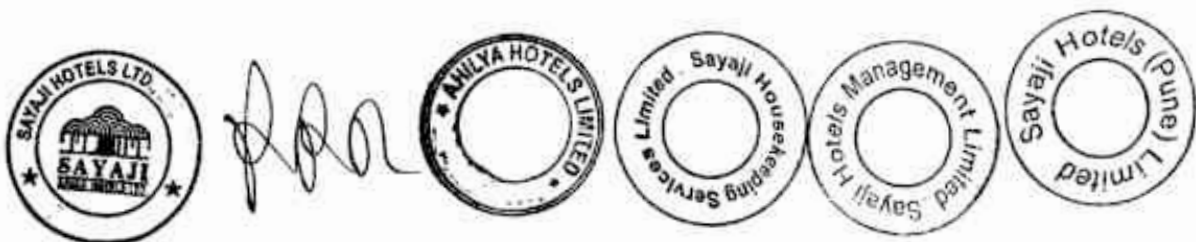
(iii) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of Transferor Company 1 and Transferee Company 1.

- 5.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company 1, the Board of Transferor Company 1 shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in Transferor Company 1, after the effectiveness of this Scheme. The Board of Transferor Company 1 shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in Transferor Company 1 on account of difficulties faced in the transaction period.
- 5.6 The Board of Transferee Company 1 shall, if and to the extent required, apply for and obtain any approvals from concerned appropriate authority and undertake necessary compliance for the issue and allotment of equity shares to the members of Transferor Company 1.
- 5.7 The equity shares shall be issued in dematerialized form to those shareholders who hold shares of Transferor Company 1 in dematerialized form, in to the account in which shares of the Transferor Company 1 are held or such other



account as is intimated in writing by the shareholders to Transferor Company 1 and/ or its Registrar provided such intimation has been received by the Transferor Company 1 and/or its Registrar at least 30 (thirty) days before the Record Date. All those shareholders who hold shares of Transferor Company 1 in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Transferor Company 1 and/ or its Registrar provided such intimation has been received by the Transferor Company 1 and/or its Registrar at least 30 (thirty) days before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.

- 5.8 The equity shares to be issued by Transferee Company 1, in respect of any equity shares of Transferor Company 1 which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of NCLT or otherwise, be held in abeyance by Transferee Company 1.
- 5.9 Approval of this Scheme by the equity shareholders of Transferee Company 1 shall be deemed to be the due compliance of the provisions of Section 42 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the equity shares by Transferee Company 1 to the equity shareholders of Transferor Company 1 as on the Record Date, as provided in this Scheme.
- 5.10 The equity shares to be issued by Transferee Company 1 to the members of Transferor Company 1 will be listed and/ or admitted to trading on the Stock Exchanges on which shares of Transferor Company 1 are listed on the Effective Date. Transferee Company 1 shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for Transferee Company 1 to comply with the formalities of the said Stock Exchange. The equity shares of Transferee Company 1 allotted pursuant to the Scheme shall remain frozen in the



depositories system till listing and trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in Transferee Company 1 between the Record Date in terms of the Scheme and the listing which may affect the status of approvals received from the Stock Exchange.

6 REDUCTION OF SHARE CAPITAL OF SHL

- 6.1 Transferor Company 1 holds 2,455,000 equity shares of INR 10 each (i.e. 14.01%) of issued, subscribed and paid-up equity share capital shares of Transferee Company 1. Upon the Scheme becoming effective, the whole of the investment of the Transferor Company 1 in the share capital of the Transferee Company 1 shall stand cancelled in the books of Transferor Company 1. Upon the coming into effect of this Scheme, the share certificates, if any, and/ or the shares in electronic form representing the shares held by the Transferor Company 1 in Transferee Company 1 shall be deemed to be cancelled without any further act or deed for cancellation thereof by Transferor Company 1, and shall cease to be in existence accordingly.
- 6.2 The reduction of the share capital of the Transferee Company 1 shall be effected as an integral part of this Scheme itself, without having to follow the process under Section 66 of the Act separately and the order of NCLT sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming reduction.
- 6.3 The difference between the amount of share capital of the Transferor Company 1 and the amount recorded as fresh share capital issued by the Transferee Company 1 shall be adjusted against the securities premium account and balance if any, to be adjusted against the general reserves of the Transferee Company 1.
- 6.4 The reduction of share capital of Transferee Company 1, as above, does not involve any diminution of liability in respect of any unpaid share capital or



payment to any shareholder of any paid-up share capital or payment in any other form to the shareholders of Transferee Company 1.

- 6.5 Notwithstanding the reduction in the equity share capital of the Transferee Company 1 as mentioned above, the Transferee Company 1 shall not be required to add "And Reduced" as suffix to its name.

7 ACCOUNTING TREATMENT

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company 1 shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date for Amalgamation.

8 STAFF AND EMPLOYEES OF TRANSFEROR COMPANY 1

- 8.1 All employees of the Transferor Company 1 who are in its employment as on the Effective Date of the Scheme, shall stand transferred to become the employees of the Transferee Company 1 on such date, and the Transferee Company 1 shall ensure compliance with applicable laws in relation to such transfer, including but not limited to, continuance of the length of service of any such employee and the terms and conditions of service applicable to such employee shall not in any way be less favorable to them than those to which he/she was entitled to immediately before the transfer.
- 8.2 It is expressly provided that, on the Scheme becoming effective, any employee benefit fund of the Transferor Company 1 in effect as on the Effective Date shall be transferred and merged with similar employee benefit fund of the Transferee Company 1 for all purposes whatsoever, to the end and intent that



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all rights, duties, powers and obligations of the Transferor Company 1 in relation to such Scheme shall become those of the Transferee Company 1. It is clarified that, for the purpose of the said Scheme, the service of the employees of the Transferor Company 1 will be treated as having been continuous with the Transferee Company 1 from the date of employment as reflected in the records of the Transferor Company 1.

9 CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW

- 9.1 Upon the Scheme becoming effective, the Transferee Company 1 is expressly permitted to revise its income-tax returns, Goods and Services tax, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, and to restore as input credit adjusted earlier or claim refunds / credits.
- 9.2 The Transferee Company 1 is also expressly permitted to claim refunds, credits, including any Minimum Alternate Tax credit under Section 115JAA of the Income-tax Act, 1961, restoration of input tax credit under Goods and Services Tax, tax deduction at source for Income tax in respect of nullifying of any transaction between the Transferor Company 1 and Transferee Company 1.
- 9.3 In accordance with the Goods and Services Tax Act and Rules made thereunder, as are prevalent on the Effective Date, the unutilized input tax credits paid on inputs / capital goods / input services lying in the accounts of the Transferor Company 1 shall be permitted to be transferred to the credit of the Transferee Company 1, as if all such unutilized credits were lying to the account of the Transferee Company 1. The Transferee Company 1 shall accordingly be entitled to set off all such unutilized credits against the Goods and Services Tax payable by it.
- 9.4 Upon the Scheme becoming effective, unabsorbed tax losses and unabsorbed tax depreciation of the Transferor Company 1, if any, till the Appointed Date



for Amalgamation, would accrue to the Transferee Company 1 in accordance with the provisions of the Income Tax Act, 1961.

- 9.5 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including Section 2(1B) and other relevant Sections of the Income tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company 1, which power shall be exercised reasonably in the best interests of the companies concerned.

10 DISSOLUTION OF THE TRANSFEROR COMPANY 1

On the Scheme becoming effective, the Transferor Company 1 shall stand dissolved without being wound-up.

11 TRANSACTIONS BETWEEN APPOINTED DATE FOR AMALGAMATION AND EFFECTIVE DATE

With effect from the Appointed Date for Amalgamation and up to the Effective Date:

- 11.1 The Transferor Company 1 shall deemed to have held and stood possessed of and shall hold and stand possessed of all their properties and assets pertaining to the business of the Transferor Company 1 for and on account of and in trust for the Transferee Company 1. The Transferor Company 1 hereby undertakes to hold its said assets and liabilities with utmost prudence until the Scheme comes into effect.

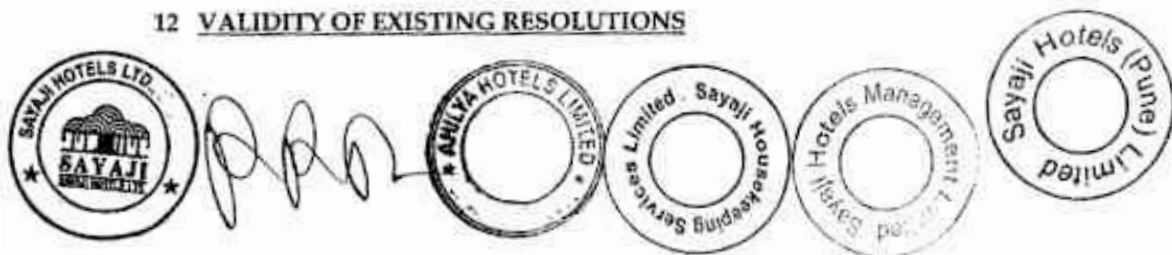


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- 11.2 The Transferor Company 1 shall carry on its activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company 1 alienate charge, mortgage, encumber or otherwise deal with or dispose of the Transferor Company 1 or part thereof.
- 11.3 It is clarified that any advance tax paid/ Tax Deduction at Source ("TDS") credits/ TDS certificates received by the Transferor Company 1 shall be deemed to be the advance tax paid by/ TDS credit/ TDS certificate of the Transferee Company 1.
- 11.4 All the profits or income, if any, accruing or arising to the Transferor Company 1 or expenditure or losses, if any, arising or incurred or suffered by the Transferee Company 1 pertaining to the business of the Transferor Company 1 shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Transferee Company 1.
- 11.5 The Transferor Company 1 shall not vary the terms and conditions of employment of any of the employees, existing as on the Effective Date, except in the ordinary course of business or without the prior consent of the Transferee Company 1 or pursuant to any pre-existing obligation undertaken by the Transferor Company 1 as the case may be, prior to the Effective Date.
- 11.6 The Transferor Company 1 shall not make any change in its capital structure either by any increase (by issue of equity or shares on a rights basis, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, subdivision or consolidation, re-organization, or in any other manner which may, in any way, affect the share exchange ratio, except by mutual consent of the respective Boards of Directors of the Transferor Company 1 and the Transferee Company 1 or except as may be expressly permitted.

12 VALIDITY OF EXISTING RESOLUTIONS



Upon the coming into effect of the Scheme, the resolutions of the Transferor Company 1 as are considered necessary by the Board of Directors of the Transferee Company 1 which are validly subsisting be considered as resolutions of the Transferee Company 1. 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 1, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company 1.

13 LEGAL PROCEEDINGS

- 13.1 Upon the coming into effect of this Scheme, if any suit, appeal, legal, taxation or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under any statute, by or against Transferor Company 1 in relation to its business whether pending on the Appointed Date for Amalgamation or which may be instituted any time thereafter, 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 Transferee Company 1, as the case may be, after the Effective Date, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferee Company 1 in relation to business of Transferor Company 1 as if this Scheme had not been made.
- 13.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against Transferor Company 1 in relation to its business, Transferee Company 1 shall be made party thereto and shall prosecute or defend such proceedings in co-operation with Transferor Company 1 and any payment and expenses made thereto shall be the liability of Transferee Company 1.



13.3 Transferee Company 1 undertake to have all legal or other proceedings initiated by or against Transferor Company 1 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against Transferee Company 1 to the exclusion of Transferor Company 1.

14 CONTRACTS, DEEDS, ETC

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 Company 1 to which the Transferor Company 1 is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company 1, as the case may be, and may be enforced by or against the Transferee Company 1 as fully and effectually as if, instead of the Transferor Company 1, the Transferee Company 1 had been a party thereto. The Transferee Company 1 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company 1 will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company 1 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company 1 and to implement or carry out all formalities required on the part of the Transferor Company 1 to give effect to the provisions of this Scheme.

15 STATUTORY LICENSES, PERMISSIONS, APPROVALS

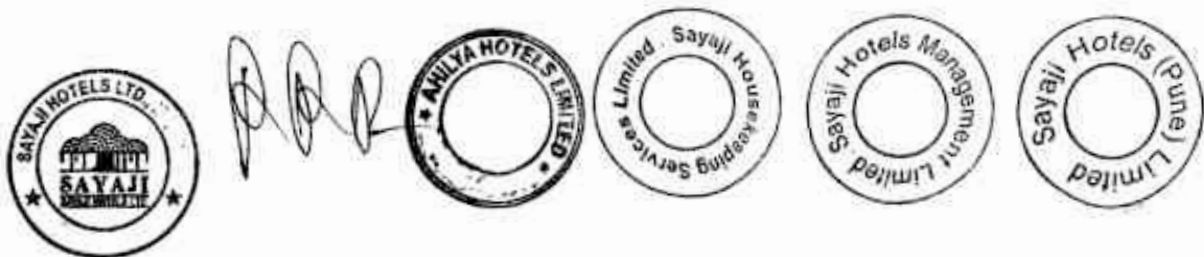
With effect from the Appointed Date for Amalgamation and upon the Scheme becoming effective, all statutory licences, permissions, approvals, copyrights, trademarks or consents, if any, relating to the Undertaking of the Transferor Company 1 shall stand vested in or transferred to the Transferee Company 1



without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company 1. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licences and consents shall vest in and become available to the Transferee Company 1 pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company 1 are concerned, the same shall vest with and be available to the Transferee Company 1 on the same terms and conditions.

16 SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Transferor Company 1 under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the respective business of the Transferor Company 1 on or before the Appointed Date for Amalgamation or concluded after the Appointed Date for Amalgamation till the Effective Date, to the end and intent that Transferee Company 1 accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company 1 as acts, deeds and things made, done and executed by or on behalf of Transferee Company 1.



PART C
TRANSFER OF DEMERGED UNDERTAKING 1 AND DEMERGED
UNDERTAKING 2 FROM DEMERGED COMPANY
TO SHPL:
AND
TRANSFER OF DEMERGED UNDERTAKING 3
FROM DEMERGED COMPANY TO SHML AND THEIR VESTING IN
RESPECTIVE RESULTING COMPANIES, REDUCTION AND MATTERS
INCIDENTAL THERETO

17 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 49 of the Scheme, approved or imposed or directed by the NCLT, shall be effective from the Appointed Date for Demerger but shall be made operative from the Effective Date.

18 TRANSFER AND VESTING OF DEMERGED UNDERTAKINGS FROM SHL INTO RESPECTIVE RESULTING COMPANIES

18.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date for Demerger, the Demerged Undertakings shall, subject to the provisions of this Clause 18 in relation to the mode of transfer and vesting and pursuant to Section 230 to 232 of the Act and without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and be deemed to have been demerged from the Demerged Company and transferred to and vested in the respective Resulting Companies as a going concern so as to become as and from the Appointed Date for Demerger, the estate, assets, rights, claims, title, interest and authorities of the respective



Resulting Companies, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.

- 18.2 Upon the Scheme becoming effective, with effect from the Appointed Date for Demerger, in respect of such of the assets of the Demerged Undertakings as are movable in nature and/ or otherwise capable of transfer by manual or constructive delivery and/ or by endorsement and delivery, the same shall stand transferred by Demerged Company to respective Resulting Companies pursuant to the provisions of Section 230 to 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of respective Resulting Companies as an integral part of the Demerged Undertakings subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/ or financial institutions.
- 18.3 Without prejudice to the generality of Clause 18.1 and in respect of movable assets other than those dealt with in Clause 18.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with any appropriate authorities or any other bodies and/ or customers or any other person, if any, forming part of the Demerged Undertakings, whether recoverable in cash or in kind or for value to be received, bank balances, etc., the same shall stand transferred to and vested in respective Resulting Companies without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act to the end and intent that the right of Demerged Company to recover or realize the same stands transferred to respective Resulting Companies, and that appropriate entries should be passed in their respective books to record the aforesaid change, without any notice or other intimation to such debtors, depositors or persons as the case may be. Resulting Companies may, at their sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in respective Resulting Companies and be paid or



made good or held on account of the respective Resulting Companies as the person entitled thereto.

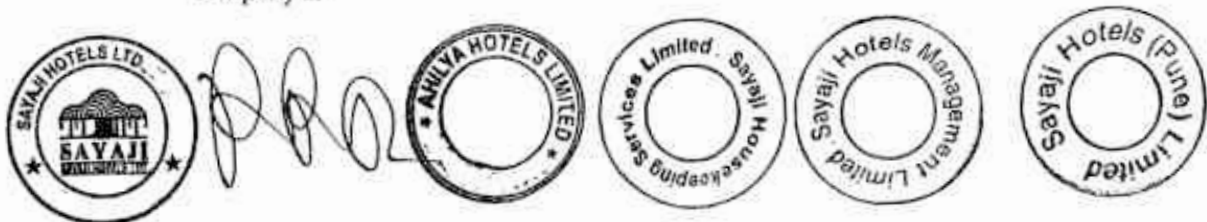
- 18.4 Without prejudice to the generality of the foregoing, all assets, estate, rights, title, interest and authorities held by the Demerged Company on the Appointed Date for Demerger in relation to the Demerged Undertakings, not otherwise specified in Clauses 18.1, 18.2 and 18.3 above, shall also, without any further act, instrument or deed, stand transferred to and vested in and/ or be deemed to be transferred to and vested in the respective Resulting Companies upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.
- 18.5 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of Demerged Company in any immovable properties including any leasehold/ leave and license/ right of way properties of Demerged Company forming part of the Demerged Undertakings, shall, pursuant to Section 232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the respective Resulting Companies on the same terms and conditions. The immovable property forming part of the Demerged Undertakings shall stand transferred to the respective Resulting Companies either under the Scheme or by way of a separate conveyance or agreement without payment of consideration.
- 18.6 All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date for Demerger and prior to the Effective Date forming part of the Demerged Undertakings shall also stand transferred to and vested or be deemed to have been transferred to or vested in the respective Resulting Companies upon the coming into effect of this Scheme without any further act, instrument or deed.
- 18.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date for Demerger, all permits,



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licenses, permissions, right of way, approvals, clearances, consents, benefits, tax incentives/ concessions, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of Demerged Company, and the rights and benefits under the same, in so far as they relate to the Demerged Undertakings and all intellectual property and rights thereto of Demerged Company, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and all such other industrial or intellectual rights of whatsoever nature and all other interests relating to the goods or services forming part of the Demerged Undertakings and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by Demerged Company forming part of the Demerged Undertakings shall be transferred to and vested in or deemed to have transferred to or vested in the respective Resulting Companies and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, Resulting Companies on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Demerged Undertakings in the respective Resulting Companies and continuation of operations forming part of Demerged Undertakings in Resulting Companies without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against Resulting Companies, as the case may be, and may be enforced as fully and effectually as if, instead of Demerged Company, Resulting Companies had been a party or beneficiary or oblige thereto. All brands and intangibles including "Sayaji" brand pertaining to Demerged Undertaking 3 stands transferred to and vested in Resulting Company 2.



18.8 In so far as various incentives, subsidies, exemptions, all indirect tax related benefits, including service tax benefits, income tax holiday/ benefit/ credits/ losses and other benefits or exemptions or privileges enjoyed, granted by any appropriate authority or by any other person, or availed of by Demerged Company are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertakings, vest with and be available to the respective Resulting Companies on the same terms and conditions as if the same had been allotted and/ or granted and/ or sanctioned and/ or allowed to the respective Resulting Companies.

18.9 Upon coming into effect of this Scheme and with effect from the Appointed Date for Demerger, all debts, duties, obligations, and Liabilities (including contingent liabilities) of Demerged Company forming part of the Demerged Undertakings ("Demerged Liabilities") shall without any further act, instrument or deed be and stand transferred to the respective Resulting Companies to the extent that they are outstanding as on the Effective Date and shall thereupon become the debts, duties, obligations, and liabilities of the respective Resulting Companies which it undertakes to meet, discharge and satisfy to the exclusion of Demerged Company such that Demerged Company shall in no event be responsible or liable in relation to any such Demerged Liabilities. Resulting Companies shall keep Demerged Company indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. 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 such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this Clause. The term "Demerged Liabilities" shall mean:

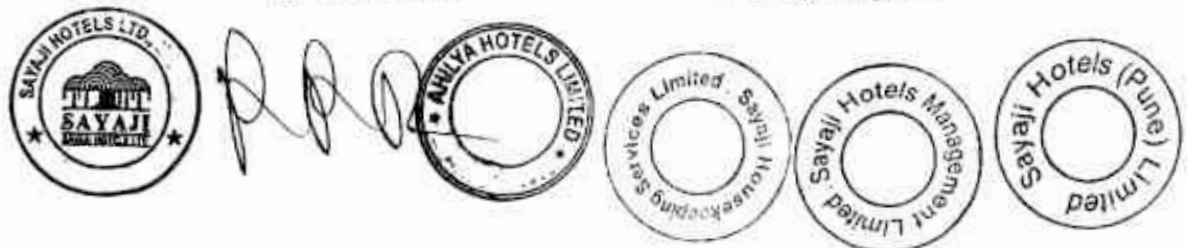
- i. the liabilities which arise out of the activities or operations of the Demerged Undertakings.



- ii. the specific loans or borrowings (including debentures, if any, raised, incurred and / or utilized solely or any portion of such for the activities or operations of the Demerged Undertakings). and
- iii. in cases other than those referred to in Clause 18.9(i) or Clause 18.9(ii) above, so much of the amounts of general or multipurpose borrowings, if any, of Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the Demerger bears to the total value of the assets of Demerged Company immediately prior to the Appointed Date for Demerger.

18.10 In so far as loans and borrowings of Demerged Company are concerned, the loans and borrowings and such amounts pertaining to the general and multipurpose loans, and liabilities, if any, which are to be transferred to the respective Resulting Companies in terms of Clause 18.9 hereof, shall, without any further act or deed, become loans and borrowings of the respective Resulting Companies, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in and shall be exercised by or against the respective Resulting Companies as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities shall be that of the respective Resulting Companies.

18.11 Upon the coming into effect of the Scheme and without prejudice to the aforesaid, all debt securities, bonds, debentures, notes and other instruments of like nature (whether convertible into equity shares or not) issued by the Demerged Company in relation to the Demerged Undertakings, or relating to the Demerged Company in accordance with Section 2(19AA) of the Income Tax Act, 1961, including without limitation non-convertible debentures ("Debt Securities") to the extent attributable to the Demerged Undertakings under Section 2(19AA) of the Income Tax Act, 1961 shall, pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the respective Resulting Companies on the same terms and conditions, except to the extent



modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the respective Resulting Companies as if it was the issuer of the Debt Securities so transferred.

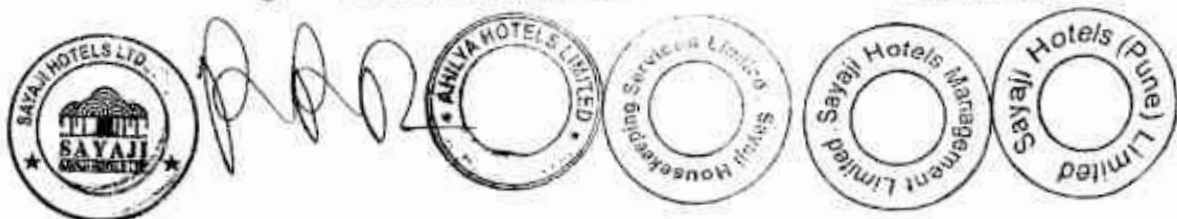
18.12 Where any of the liabilities and obligations of Demerged Company as on the Appointed Date for Demerger deemed to be transferred to respective Resulting Companies, have been partially or fully discharged by Demerged Company after the Appointed Date for Demerger and prior to the Effective Date, such discharge shall be deemed to have been for and on account of respective Resulting Companies and all liabilities and obligations incurred by Demerged Company for the operations of the Demerged Undertakings after the Appointed Date for Demerger and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the respective Resulting Companies and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the respective Resulting Companies and shall become the liabilities and obligations of the respective Resulting Companies.

18.13 In so far as the existing Encumbrances in respect of the Demerged Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertakings which have been Encumbered in respect of the Demerged Liabilities as transferred to the respective Resulting Companies pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertakings which are being transferred to the Resulting Companies pursuant to this Scheme have not been Encumbered in respect of the Demerged Liabilities, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment



which may be required by a lender or trustee or third party shall not affect the operation of the above.

- 18.14 Subject to the other provisions of this Scheme, in so far as the assets forming part of the Demerged Undertakings are concerned, the Encumbrances, over such assets, to the extent they relate to any loans or borrowings or debentures or other debt or debt securities of Demerged Company pertaining to the Remaining Business of Demerged Company shall, as and from the Effective Date, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as Encumbrances in relation to those liabilities of Demerged Company pertaining to the Remaining Business of Demerged Company which are not transferred to the Resulting Companies pursuant to the Scheme (and which shall continue with Demerged Company).
- 18.15 In so far as the assets of the Remaining Business of Demerged Company are concerned, the Encumbrances over such assets, to the extent they relate to any loans or borrowings forming part of the Demerged Undertakings shall, without any further act, instrument or deed be released and discharged from such Encumbrances. The absence of any formal amendment which may be required by a bank and/ or financial institution or trustee or third party in order to effect such release shall not affect the operation of this Clause.
- 18.16 In so far as the existing Encumbrances in respect of the loans and other liabilities relating to the Remaining Business of Demerged Company are concerned, such Encumbrances shall, without any further act, instrument or deed be continued with Demerged Company only on the assets relating to the Remaining Business of Demerged Company and the assets of the Demerged Undertakings shall stand released therefrom.
- 18.17 Notwithstanding anything contained in Clause 18.14, 18.15 and 18.16 hereinabove, the respective Boards of the Demerged Company and the respective Resulting Companies may mutually agree to retain Encumbrances on the assets of the Demerged Undertakings which do not pertain to the Demerged Liabilities or retain Encumbrances on the assets of the Remaining



Business, which pertain to the Demerged Liabilities and the Boards of Directors of the Resulting Companies and the Demerged Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 18.17. Upon the coming into effect of the Scheme, the resolutions, if any, of the Demerged Company, relating to any powers to borrow, make investments, give loans, give guarantees, etc. approved under the provisions of the Act or any other applicable statutory provisions, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the respective Resulting Companies and the amounts under such resolutions shall be added to the amounts under like resolutions passed by the Resulting Companies or shall become the amounts available to the respective Resulting Companies as if the resolutions were passed by the respective Resulting Companies. The same shall be effected as an integral part of the Scheme and the consent of the shareholders of the Demerged Company and the Resulting Companies to the Scheme shall be deemed to be their consent in relation to all matters set out in this Clause and no further approval of the shareholders of the Demerged Company or the Resulting Companies would be required in this connection under any Applicable Law.

18.18 Without any prejudice to the provisions of the foregoing Clauses, Demerged Company and Resulting Companies shall enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the ROC Chennai to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

18.19 Upon the coming into effect of this Scheme and with effect from the Appointed Date for Demerger, Demerged Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business of Demerged Company and Resulting Companies shall not have any obligations in respect of the debts, liabilities, duties and



obligations of the Remaining Business of Demerged Company. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date for Demerger, Resulting Companies alone shall be liable to perform all obligations in respect of Demerged Liabilities, which have been transferred to it in terms of this Scheme, and Demerged Company shall not have any obligations in respect of such Demerged Liabilities.

- 18.20 The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.
- 18.21 It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Demerged Liabilities transferred to the Resulting Companies as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 18.22 All cheques and other negotiable instruments, pay orders, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment which are in the name of Demerged Company after the Effective Date, in so far as the same forms part of the Demerged Undertakings, shall be deemed to have been in the name of the Resulting Companies and credited to the account of Resulting Companies, if presented by respective Resulting Companies or received through electronic transfers and shall be accepted by the relevant bankers and credited to the accounts of the respective Resulting Companies. Similarly, the banker of Resulting Companies shall honour all cheques/ electronic fund transfer instructions issued by Demerged Company (in relation to the Demerged Undertakings) for payment after the Effective Date. If required, the bankers of Demerged Company and/ or respective Resulting Companies shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Demerged Company by Resulting Companies in relation to the Demerged



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Undertakings for such time as may be determined to be necessary by Resulting Companies for presentation and deposit of cheques, pay order and electronic transfers that have been issued/ made in the name of Demerged Company.

19 REDUCTION OF SHARE CAPITAL

- 19.1 Upon the demerger of the Demerged Undertakings and pursuant to the allotment of shares by the Resulting Companies to the shareholders of the Demerged Company, the shares of the Resulting Companies held by SHL to the extent mentioned below shall stand reduced and cancelled.

SHPL: INR 500,000 divided into 50,000 of INR 10 each

SHML: INR 500,000 divided into 50,000 of INR 10 each

The reduced amount shall be repaid and returned to the shareholders in their capacity as shareholder of the Resulting Companies.

- 19.2 Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230 to 232 of the Act read with Section 52 and 66 and other applicable provisions of the Act, the share capital/securities premium account of the Resulting Companies shall stand reduced to the extent required in accordance with this Clause without any further act or deed in accordance with provisions of the Scheme.
- 19.3 The reduction of share capital of the Resulting Companies shall be effected as an integral part of this Scheme and the Resulting Companies shall not be required to follow the process under Section 52 and 66 of the Act or any other provisions of Applicable Law separately.
- 19.4 Upon cancellation, the Resulting Companies shall debit their equity share capital account, the aggregate face value of the cancelled shares and the same shall be credited to capital reserves of the Resulting Companies.



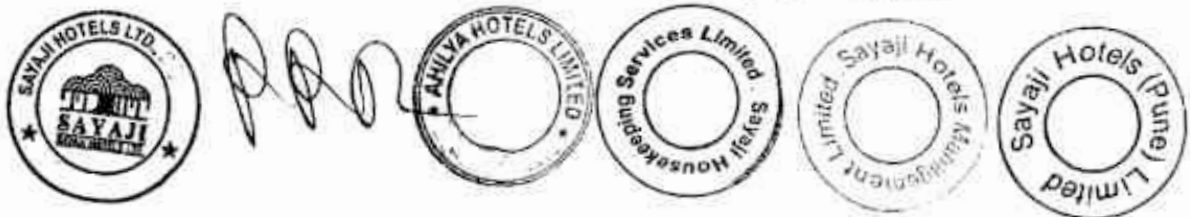
- 19.5 The reduction would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.
- 19.6 Notwithstanding the reduction in the equity share capital of the Resulting Companies, the Resulting Companies shall not be required to add "And Reduced" as suffix to its name.

20 ACCOUNTING TREATMENT

- 20.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company and Resulting Companies shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date for Demerger.

21 STAFF AND EMPLOYEES OF DEMERGED COMPANY

- 21.1 All employees of the Demerged Undertakings who are in its employment as on the Effective Date of the Scheme, shall stand transferred to become the employees of the respective Resulting Companies on such date, and the Resulting Companies shall ensure compliance with applicable laws in relation to such transfer, including but not limited to, continuance of the length of service of any such employee and the terms and conditions of service applicable to such employee shall not in any way be less favorable to them than those to which he/she was entitled to immediately before the transfer.
- 21.2 It is expressly provided that, on the Scheme becoming effective, any employee benefit fund of the Demerged Undertakings in effect as on the Effective Date shall be transferred and merged with similar employee benefit fund of the



respective Resulting Companies for all purposes whatsoever, to the end and intent that all rights, duties, powers and obligations of the Demerged Undertakings in relation to such Scheme shall become those of the respective Resulting Companies. It is clarified that, for the purpose of the said Scheme, the service of the employees of the Demerged Undertakings will be treated as having been continuous with the respective Resulting Companies from the date of employment as reflected in the records of the Demerged Undertakings.

22 CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW

- 22.1 Upon the Scheme becoming effective, the Resulting Companies and Demerged Company are expressly permitted to revise its income-tax returns, Goods and Services tax, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, and to restore as input credit adjusted earlier or claim refunds / credits pertaining to Demerged Undertakings.
- 22.2 The Resulting Companies are also expressly permitted to claim refunds, credits, including restoration of input tax credit under Goods and Services Tax, tax deduction at source for Income tax in respect of nullifying of any transaction between the Resulting Companies and Demerged Company pertaining to Demerged Undertakings.
- 22.3 In accordance with the Goods and Services Tax Act and Rules made thereunder, as are prevalent on the Effective Date, the unutilized input tax credits paid on inputs / capital goods / input services lying in the accounts of the Demerged Company pertaining to Demerged Undertakings shall be permitted to be transferred to the credit of the respective Resulting Companies, as if all such unutilized credits were lying to the account of the Resulting Companies. The Resulting Companies shall accordingly be entitled to set off all such unutilized credits against the Goods and Services Tax payable by it.
- 22.4 Upon the Scheme becoming effective, unabsorbed tax losses and unabsorbed tax depreciation of the Demerged Company, if any, till the Appointed Date for



Demerger pertaining to Demerged Undertakings, would accrue to the respective Resulting Companies in accordance with the provisions of the Income Tax Act, 1961.

22.5 The demerger of the Demerged Undertakings from the Demerged Company pursuant to this Scheme shall take place with effect from the Appointed Date for Demerger and shall be in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:

(i) all the properties of the Demerged Company forming part of the Demerged Undertakings immediately before the Demerger shall become the properties of the respective Resulting Companies by virtue of the Demerger.

(ii) all the liabilities of Demerged Company forming part of the Demerged Undertakings immediately before the Demerger shall become the liabilities of the respective Resulting Companies by virtue of the Demerger.

(iii) the properties and the liabilities relating to the Demerged Company forming part of the Demerged Undertakings shall be transferred to the respective Resulting Companies at the values appearing in the books of account of the Demerged Company immediately before the Demerger.

(iv) the Resulting Companies shall issue, in consideration of the Demerger, shares to the shareholders of the Demerged Company in the share entitlement ratio.

(v) all the shareholders of the Demerged Company as on the Record Date shall become the shareholders of the Resulting Companies by virtue of the Demerger; and

(vi) the transfer of the Demerged Undertakings shall be on a going concern basis.

22.6 If any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) 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 Section 2(19AA) of the Income Tax Act, 1961



shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961. Such modifications shall however not affect the other parts of the Scheme.

23 TRANSACTIONS BETWEEN APPOINTED DATE FOR DEMERGER AND EFFECTIVE DATE

With effect from the Appointed Date for Demerger and up to the Effective Date:

- 23.1 The Demerged Company shall deemed to have held and stood possessed of and shall hold and stand possessed of all their properties and assets pertaining to the Demerged Undertakings for and on account of and in trust for the Resulting Companies. The Demerged Company hereby undertakes to hold its said assets and liabilities with utmost prudence until the Scheme comes into effect.
- 23.2 The Demerged Company shall carry on its activities with reasonable diligence, business prudence pertaining to Demerged Undertakings and shall not, except in the ordinary course of business or without prior written consent of the Resulting Companies alienate charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Company or part thereof.
- 23.3 It is clarified that any advance tax paid/ Tax Deduction at Source ("TDS") credits/ TDS certificates received by the Demerged Company pertaining to Demerged Undertakings shall be deemed to be the advance tax paid by/ TDS credit/ TDS certificate of the respective Resulting Companies. In case, any credit or tax deduction at source, advance tax, MAT, GST, CENVAT, refunds, etc. pertaining to Demerged Undertakings and paid or deemed to be paid by SHL but could not be transferred shall be appropriately reimbursed.
- 23.4 All the profits or income, if any, accruing or arising to the Demerged Company or expenditure or losses, if any, arising or incurred or suffered by the Demerged Company pertaining to the Demerged Undertakings shall for all purposes be



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treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the respective Resulting Companies.

- 23.5 The Demerged Company shall not vary the terms and conditions of employment of any of the employees, existing as on the Effective Date, except in the ordinary course of business or without the prior consent of the Resulting Companies or pursuant to any pre-existing obligation undertaken by the Demerged Company as the case may be, prior to the Effective Date.
- 23.6 The Demerged Company shall not make any change in its capital structure either by any increase (by issue of equity or shares on a rights basis, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, subdivision or consolidation, re-organization, or in any other manner which may, in any way, affect the share exchange ratio, except by mutual consent of the respective Boards of Directors of the Demerged Company and the Resulting Companies or except as may be expressly permitted.

24 CONTRACTS, DEEDS, ETC

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 Demerged Company to which the Demerged Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Resulting Companies, as the case may be, and may be enforced by or against the Resulting Companies as fully and effectually as if, instead of the Demerged Company, the Resulting Companies had been a party thereto.

The Resulting Companies shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Resulting Companies shall



be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

25 STATUTORY LICENSES, PERMISSIONS, APPROVALS

With effect from the Appointed Date for Demerger and upon the Scheme becoming effective, all statutory licenses, permissions, approvals, copyrights, trademarks or consents, if any, relating to the Demerged Undertakings shall stand vested in or transferred to the Resulting Companies without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Resulting Companies. 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 Resulting Companies pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company are concerned, the same shall vest with and be available to the Resulting Companies on the same terms and conditions.

26 SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer and vesting of the Demerged Undertakings shall not affect any transactions or proceedings already concluded by Demerged Undertakings on or before the Appointed Date for Demerger or concluded after the Appointed Date for Demerger till the Effective Date, to the end and intent that Resulting Companies accepts and adopts all acts, deeds and things made, done and executed by the Demerged



Undertakings as acts, deeds and things made, done and executed by or on behalf of Resulting Companies.

27 CONSIDERATION FOR TRANSFER OF DEMERGED UNDERTAKING 1 AND DEMERGED UNERTAKING 2 FROM SHL AND ITS VESTING IN SHPL FOR CONSIDERATION AND MATTERS INCIDENTAL THERETO

27.1 Upon this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 and Demerged Undertaking 2 of Demerged Company in Resulting Company 1 in terms of this Scheme, Resulting Company 1 shall, without any further application, act or deed, issue and allot equity shares and 10% Cumulative Redeemable Preference Shares, credited as fully paid-up, to the members of Demerged Company, holding fully paid up equity shares and preference shares in Demerged Company and whose names appear in the register of members of Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner:

"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".

"1 (One) fully paid up 10% Cumulative Redeemable Preference Share of INR 100 (INR Hundred only) each of SHPL shall be issued and allotted for every 125,000 (One Lakh Twenty Five Thousand) fully paid up 10% Cumulative Redeemable Preference Share of INR 100 (INR Hundred only) each held in SHL".

27.2 In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company 1, issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of consolidation, share split, issue of bonus shares, or other similar action, that occurs before Record Date, the share entitlement ratio (as mentioned in Clause 27.1) shall be appropriately adjusted



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to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

27.3 The cumulative redeemable preference share to be issued pursuant to Clause 27.1 above are to be issued under the terms specified in Schedule 'A' hereto.

27.4 The cumulative redeemable preference share to be issued pursuant to Clause 27.1 above shall rank for dividend in priority to the equity shares of Resulting Company 1.

27.5 The shares to be issued and allotted by Resulting Company 1 to the shareholders of Demerged Company shall be subject to the Scheme, the memorandum and articles of association of Resulting Company 1 and applicable laws. The 10% Cumulative Redeemable Preference Shares issued and allotted by Resulting Company 1, in terms of Clause 27.1 above, shall rank pari passu in all respects with the existing preference shares of Resulting Company 1, if any. The equity shares issued and allotted by Resulting Company 1, in terms of Clause 27.1 above, shall rank pari passu in all respects with the equity existing shares of Resulting Company 1.

27.6 No shares shall be allotted in respect of fractional entitlements, by Resulting Company 1 to which the members of Demerged Company may be entitled on allotment of shares as per Clause 27.1. The Board of Resulting Company 1 shall, at its absolute discretion, decide to take any or a combination of the following actions:

(i) consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person/ trustee authorized by the Board of Resulting Company 1 in this behalf who shall hold the shares in trust on behalf of the members of Demerged Company entitled to fractional entitlements with the express understanding that such person shall sell the shares of Resulting Company 1 so allotted on the Stock Exchanges at such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds,



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subject to tax deductions and other expenses as applicable, to the members of Demerged Company in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to a person authorized by the Board of Resulting Company 1 by virtue of consolidation of fractional entitlements is a fraction, it shall be rounded off to the next higher integer.

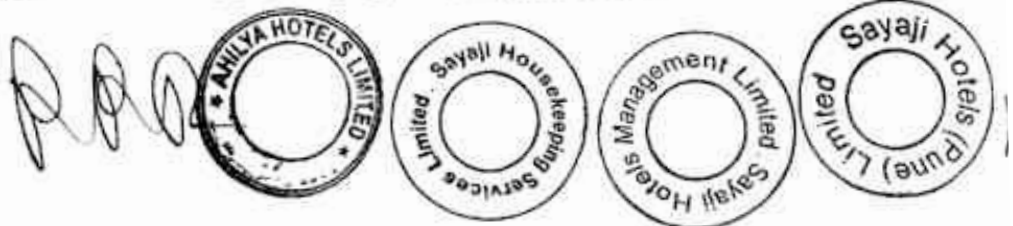
(ii) round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant shareholders of Demerged Company.

(iii) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of Demerged Company and Resulting Company 1.

27.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in Demerged Company, after the effectiveness of this Scheme. The Board of Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in Demerged Company on account of difficulties faced in the transaction period.

27.8 Without prejudice to the generality of Clause 27.1 above, the Board of Resulting Company 1 shall, if and to the extent required, apply for and obtain any approvals from concerned appropriate authority and undertake necessary compliance for the issue and allotment of equity shares to the members of Demerged Company pursuant to Clause 27.1 of the Scheme.

27.9 The equity shares shall be issued in dematerialized form to those shareholders who hold shares of Demerged Company in dematerialized form, in to the



account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to Demerged Company and/ or its Registrar provided such intimation has been received by the Demerged Company and/or its Registrar at least 30 (thirty) days before the Record Date. All those shareholders who hold shares of Demerged Company in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Demerged Company and/ or its Registrar provided such intimation has been received by the Demerged Company and/or its Registrar at least 30 (thirty) days before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.

- 27.10 The shares to be issued by Resulting Company 1, pursuant to Clause 27.1 in respect of any shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of NCLT or otherwise, be held in abeyance by Resulting Company 1.
- 27.11 Approval of this Scheme by the shareholders of Resulting Company 1 shall be deemed to be the due compliance of the provisions of Section 42 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the shares by Resulting Company 1 to the shareholders of Demerged Company as on the Record Date, as provided in this Scheme.
- 27.12 The equity shares to be issued by Resulting Company 1 to the members of Demerged Company pursuant to Clause 27.1 will be listed and/ or admitted to trading on the Stock Exchanges on which shares of Demerged Company are listed on the Effective Date. Resulting Company 1 shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for Resulting Company 1 to comply with the formalities of the said Stock Exchange. The



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equity shares of Resulting Company 1 allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in Resulting Company 1 between the Record Date in terms of the Scheme and the listing which may affect the status of approvals received from the Stock Exchange.

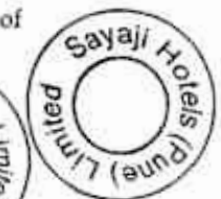
28 CONSIDERATION FOR TRANSFER OF DEMERGED UNDERTAKING 3 FROM SHL AND ITS VESTING IN SHML FOR CONSIDERATION AND MATTERS INCIDENTAL THERETO

28.1 Upon this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 3 of Demerged Company in Resulting Company 2 in terms of this Scheme, Resulting Company 2 shall, without any further application, act or deed, issue and allot equity shares, credited as fully paid-up, to the members of Demerged Company, holding fully paid up equity shares and preference shares in Demerged Company and whose names appear in the register of members of Demerged Company on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner:

"4 (Four) fully paid up equity share of INR 10 (INR Ten only) each of SHML 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".

"1 (One) fully paid up 10% Cumulative Redeemable Preference Share of INR 100 (INR Hundred only) each of SHML shall be issued and allotted for every 125,000 (One Lakh Twenty Five Thousand) fully paid up 10% Cumulative Redeemable Preference Share of INR 100 (INR Hundred only) each held in SHL".

28.2 In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company 2, issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of consolidation, share split, issue of



bonus shares, or other similar action, that occurs before Record Date, the share entitlement ratio (as mentioned in Clause 28.1) shall be appropriately adjusted to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

- 28.3 The cumulative redeemable preference share to be issued pursuant to Clause 28.1 above are to be issued under the terms specified in Schedule 'A' hereto.
- 28.4 The cumulative redeemable preference share to be issued pursuant to Clause 28.1 above shall rank for dividend in priority to the equity shares of Resulting Company 2.
- 28.5 The shares to be issued and allotted by Resulting Company 2 to the shareholders of Demerged Company shall be subject to the Scheme, the memorandum and articles of association of Resulting Company 2 and applicable laws. The 10% Cumulative Redeemable Preference Shares issued and allotted by Resulting Company 2, in terms of Clause 28.1 above, shall rank pari passu in all respects with the existing preference shares of Resulting Company 2, if any. The equity shares issued and allotted by Resulting Company 2, in terms of Clause 28.1 above, shall rank pari passu in all respects with the existing equity shares of Resulting Company 2.
- 28.6 No shares shall be allotted in respect of fractional entitlements, by Resulting Company 2 to which the members of Demerged Company may be entitled on allotment of shares as per Clause 28.1. The Board of Resulting Company 2 shall, at its absolute discretion, decide to take any or a combination of the following actions:
- (i) consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a person/ trustee authorized by the Board of Resulting Company 2 in this behalf who shall hold the shares in trust on behalf of the members of Demerged Company entitled to fractional entitlements with the express understanding that such person shall sell the shares of Resulting Company 2 so allotted on the Stock Exchanges at



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such time or times and at such price or prices and to such person, as such person/ trustee deems fit, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the members of Demerged Company in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to a person authorized by the Board of Resulting Company 2 by virtue of consolidation of fractional entitlements is a fraction, it shall be rounded off to the next higher integer.

(ii) round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant shareholders of Demerged Company.

(iii) deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of Demerged Company and Resulting Company 2.

28.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in Demerged Company, after the effectiveness of this Scheme. The Board of Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in Demerged Company on account of difficulties faced in the transaction period.

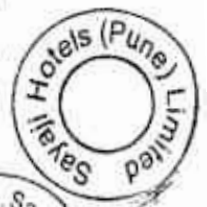
28.8 Without prejudice to the generality of Clause 28.1 above, the Board of Resulting Company 2 shall, if and to the extent required, apply for and obtain any approvals from concerned appropriate authority and undertake necessary compliance for the issue and allotment of equity shares to the members of Demerged Company pursuant to Clause 28.1 of the Scheme.



- 28.9 The equity shares shall be issued in dematerialized form to those shareholders who hold shares of Demerged Company in dematerialized form, in to the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to Demerged Company and/ or its Registrar provided such intimation has been received by the Demerged Company and/or its Registrar at least 30 (thirty) days before the Record Date. All those shareholders who hold shares of Demerged Company in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Demerged Company and/ or its Registrar provided such intimation has been received by the Demerged Company and/or its Registrar at least 30 (thirty) days before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.
- 28.10 The shares to be issued by Resulting Company 2, pursuant to Clause 28.1 above, in respect of any shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of NCLT or otherwise, be held in abeyance by Resulting Company 2.
- 28.11 Approval of this Scheme by the shareholders of Resulting Company 2 shall be deemed to be the due compliance of the provisions of Section 42 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the shares by Resulting Company 2 to the shareholders of Demerged Company as on the Record Date, as provided in this Scheme.
- 28.12 The equity shares to be issued by Resulting Company 2 to the members of Demerged Company pursuant to Clause 28.1 of this Scheme will be listed and/ or admitted to trading on the Stock Exchanges on which shares of Demerged Company are listed on the Effective Date. Resulting Company 2 shall enter into such arrangements and give such confirmations and/ or undertakings as may



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be necessary in accordance with the applicable laws or regulations for Resulting Company 2 to comply with the formalities of the said Stock Exchange. The equity shares of Resulting Company 2 allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in Resulting Company 2 between the Record Date in terms of the Scheme and the listing which may affect the status of approvals received from the Stock Exchange.

29 LEGAL PROCEEDINGS

- 29.1 Upon the coming into effect of this Scheme, if any suit, appeal, legal, taxation or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under any statute, by or against Demerged Company in relation to Demerged Undertakings whether pending on the Appointed Date for Demerger or which may be instituted any time thereafter, 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 Resulting Companies, as the case may be, after the Effective Date, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Demerged Company in relation to Demerged Undertakings as if this Scheme had not been made.
- 29.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against Demerged Company in relation to Demerged Undertakings, Resulting Companies shall be made party thereto and shall prosecute or defend such proceedings in co-operation with Demerged Company and any payment and expenses made thereto shall be the liability of Resulting Companies.



29.3 Resulting Companies undertake to have all legal or other proceedings initiated by or against Demerged Company transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against Resulting Companies to the exclusion of Demerged Company.

PART D

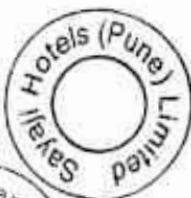
AMALGAMATION OF SHKSL INTO SHML

30 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 49 of the Scheme, approved or imposed or directed by the NCLT, shall be effective from the Appointed Date for Amalgamation but shall be made operative from the Effective Date.

31 TRANSFER AND VESTING

31.1 With effect from the Appointed Date for Amalgamation, the entire business of Transferor Company 2 including all its properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as licenses, agreements of whatever nature but not limited to shareholders agreements, share subscription agreements or any right devolving pursuant to such agreements (either entered into or vested in terms of any legal process), holding of investments, power to appoint directors, any agreement for commission, management fees, permits, quotas, approvals, development rights, lease, tenancy rights, permissions, incentives, if any, and all other rights, title, interest, contracts, consent, approvals or powers of every kind nature and descriptions whatsoever shall under the provisions of the Act and pursuant to the orders of the Competent Authority or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date be transferred



and/or deemed to be transferred to and vested in Transferee Company 2, as going concern, so as to become the properties and assets of Transferee Company 2.

- 31.2 The transfer and vesting of the properties and assets 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 Transferor Company 2 is party wherein the assets of Transferor Company 2 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 Transferor Company 2 and vested in Transferee Company 2 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 2.

PROVIDED that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Company 2 which shall vest in Transferee Company 2 by virtue of the Scheme and Transferee Company 2 shall not be obliged to create any further, or additional security thereof after the merger has become effective or otherwise.

- 31.3 All the immovable properties of Transferor Company 2, including land together with the buildings and structures standing thereon and rights and interests in the immovable properties of Transferor Company 2, whether freehold or leasehold (unless the lessor of the leasehold properties is Transferee Company 2, in which case, the relevant lease shall become redundant and shall cease to have any effect) or otherwise and all documents of title, right and easement in relation thereto shall stand transferred to and be vested in and transferred to and/ or be deemed to have been and stand transferred to and vested in Transferee Company 2, without any further act or deed done or being required to be done by Transferor Company 2 and/ or Transferee Company 2.

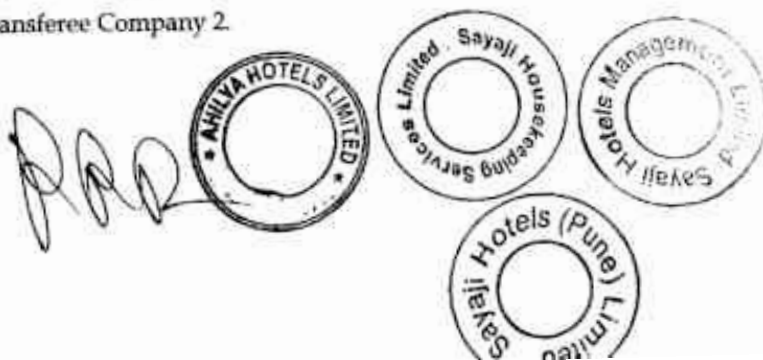


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Transferee Company 2 shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme being effective, be made and duly recorded in the name of Transferee Company 2 by the appropriate authorities pursuant to the sanction of this Scheme by the Competent Authority in accordance with the terms hereof.

- 31.4 All the movable assets of Transferor Company 2 or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to Transferee Company 2 to the end and intent that the property therein passes to Transferee Company 2 on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of Transferee Company 2 accordingly.
- 31.5 In respect of movable assets, other than those specified in Clause 31.4 above, the same shall, without further act, instrument or deed, be transferred and/or deemed to be transferred to and vested in Transferee Company 2 pursuant to the provisions of the Act and Transferor Company 2 shall give notice in such form as it deems fit to such persons, that pursuant to the order of the Competent Authority, the said assets would be paid or made good to or held on account of Transferee Company 2 and the rights of Transferor Company 2 will vest with Transferee Company 2 upon this Scheme becoming effective.
- 31.6 All intellectual property rights of any nature whatsoever, including any and all registrations, goodwill, licenses trademarks, service marks, copyrights, domain names, application for copyrights, trade names and trademarks, if any, appertaining to Transferor Company 2, if any, shall stand transferred to and vested in Transferee Company 2.



- 31.7 All secured and unsecured debts, all liabilities whether provided for or not in the books of Transferor Company 2, duties and obligations of Transferor Company 2 along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall be and stand transferred to and vested in or deemed to have been transferred to and vested in Transferee Company 2, so as to become the debts, liabilities, duties and obligations of Transferee Company 2, 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 such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. It is clarified that in so far as the assets of Transferee Company 2 are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of Transferor Company 2 shall without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of Transferor Company 2, save to the extent warranted by the terms of the existing security arrangements to which any of Transferor Company 2 and Transferee Company 2 are parties, and consistent with the joint obligations assumed by them under such arrangement.
- 31.8 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by Transferor Company 2 after the Appointed Date for Amalgamation, shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company 2 and to the extent they are outstanding on the Effective Date.
- 31.9 The Transferee Company 2 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 favor of the secured creditors of Transferor Company 2 or in favor of any other party to any contract or arrangement to which Transferor Company 2 is party or any writings as may be necessary to be executed in order to give formal effect to the above



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provisions. Transferee Company 2 shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of Transferor Company 2 and to implement or carry out all such formalities or compliance referred to above on the part of Transferor Company 2 to be carried out or performed.

- 31.10 Upon the coming into effect of the Scheme, benefits of all taxes paid including but not limited to MAT paid, advance taxes and tax deducted at source, right to carry forward and set off unabsorbed tax losses, unutilized MAT credit under the provisions of the IT Act, right to claim deductions under the provisions of the IT Act, including its continuing benefits, by Transferor Company 2 from the Appointed Date for Amalgamation, regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of Transferee Company 2 as effectively as if Transferee Company 2 had paid the same and shall be deemed to be the rights/claims of Transferee Company 2. All un-availed credits, set offs, claims for refunds under any State VAT Acts, CST Acts, Central Excise, Customs Act, Service Tax provisions, Goods and Services Act or any other State or Central statutes regardless of the period to which they may relate, shall stand transferred to the benefit of and shall be available in the hands of Transferee Company 2 without restrictions under the respective provisions.
- 31.11 With effect from the Appointed Date for Amalgamation, properties including freehold & leasehold properties, leases, estates, assets, contracts, deeds, rights, titles, interests, benefits, licenses, consents, allotment letters, sanctions, approvals, permissions and authorizations etc. to carry on the operations and business of Transferor Company 2 shall stand vested in or transferred to Transferee Company 2 without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favor of the Transferee Company 2. 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 2.



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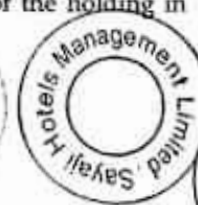


pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Transferor Company 2, is concerned, the same shall vest with and be available to Transferee Company 2 on the same terms and conditions. In relation to such transfer and vesting, any procedural requirement required to be fulfilled solely by Transferor Company 2 (and not by any of its successor) shall be fulfilled by Transferee Company 2 as if it is the duly constituted attorney of that Transferor Company 2.

- 31.12 Transferor Company 2, at any times after this Scheme becomes effective in accordance with the provisions hereof, and in the capacity of the successor entity of the Transferor Company 2, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/ obtain the approvals, permissions, rights, titles, interests, benefits, licenses, consents, allotment letters, sanctions, and authorizations etc.
- 31.13 It is further clarified that, if the consent of any third party or authority is required to give effect to the aforementioned provisions of Clause 31, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/ endorsement in the name of Transferee Company 2 pursuant to sanction of this Scheme by the Competent Authority, and upon this Scheme being effective in accordance with the terms thereof. For this purpose, the Transferee Company 2 shall file appropriate applications/ documents with relevant authorities concerned for information and record purpose.

32 CONSIDERATION FOR THE PROPOSED AMALGAMATION

Post giving effect to Part C of the Scheme, the entire issued, subscribed and paid-up Equity Share Capital of the Transferor Company 2 would be held by the Transferee Company 2. Upon the Scheme becoming effective, no shares of Transferee Company 2 shall be allotted in lieu or exchange of the holding in



Transferor Company 2 and, the whole of the investment of the Transferee Company 2 in the share capital of the Transferor Company 2 shall stand cancelled in the books of Transferee Company 2. Upon the coming into effect of this Scheme, the share certificates, if any, and/ or the shares in electronic form representing the shares held by the Transferee Company 2 in Transferor Company 2 shall be deemed to be cancelled without any further act or deed for cancellation thereof by Transferee Company 2, and shall cease to be in existence accordingly.

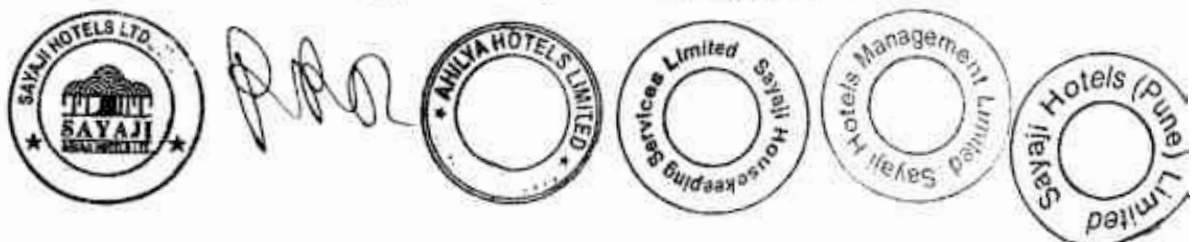
33 ACCOUNTING TREATMENT

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company 2 shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date for Amalgamation. The Transferor Company 2 and Transferee Company 2 both being entities under common control, the accounting would be as per the principles as set out in Appendix C of IND AS 103 'Business Combinations'.

34 ALTERATIONS / AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY 2

34.1 Upon the Scheme coming into effect, the following clauses III(A) 2 shall be inserted in the main objects clause of the Memorandum of Association of the Transferee Company 2 after Clause III (A) 1:

1. *To carry on the business of providing services and expertise for various cleaning and housekeeping requirements like dusting, sweeping, mopping, garbage removal, scrubbing, rinsing, periodical requirements of thorough cleaning, washing, brass/chrome polishing, floor scrubbing, vaccum cleaning, dry and wet cleaning*



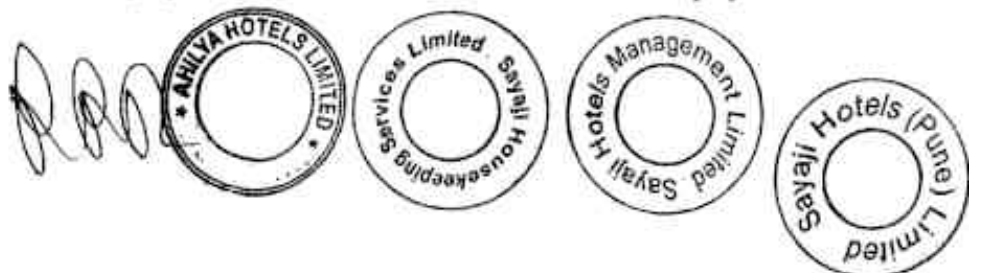
sofa/carpet shampooing etc. as per the need of any facilities, organizations and/or business houses like office, hotels, shopping malls, call centers and guest houses, residential and farm house facilities etc. in India or elsewhere.

And to carry on the business of providing of manpower, machines, cleaning staff, agents and other related equipment's and material connected with housekeeping and cleaning requirements in connection to the above said object of the Company.

- 34.2 The approval of this Scheme by the shareholders of the Transferee Company 2 under sections 230 to 232 of the Act, whether at a meeting or otherwise, shall be deemed to have the approval under Sections 13 and other applicable provisions of the Act and any other consents and approvals required in this regard.

35 STAFF AND EMPLOYEES OF TRANSFEROR COMPANY 2

- 35.1 All employees of the Transferor Company 2 who are in its employment as on the Effective Date of the Scheme, shall stand transferred to become the employees of the Transferee Company 2 on such date, and the Transferee Company 2 shall ensure compliance with applicable laws in relation to such transfer, including but not limited to, continuance of the length of service of any such employee and the terms and conditions of service applicable to such employee shall not in any way be less favorable to them than those to which he/she was entitled to immediately before the transfer.
- 35.2 It is expressly provided that, on the Scheme becoming effective, any employee benefit fund of the Transferor Company 2 in effect as on the Effective Date shall be transferred and merged with similar employee benefit fund of the Transferee Company 2 for all purposes whatsoever, to the end and intent that all rights, duties, powers and obligations of the Transferor Company 2 in relation to such Scheme shall become those of the Transferee Company 2. It is clarified that, for the purpose of the said Scheme, the service of the employees



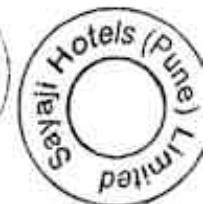
of the Transferor Company 2 will be treated as having been continuous with the Transferee Company 2 from the date of employment as reflected in the records of the Transferor Company 2.

36 CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW

- 36.1 Upon the Scheme becoming effective, the Transferee Company 2 is expressly permitted to revise its income-tax returns, Goods and Services tax, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, and to restore as input credit adjusted earlier or claim refunds / credits.
- 36.2 The Transferee Company 2 is also expressly permitted to claim refunds, credits, including any Minimum Alternate Tax credit under Section 115JAA of the Income-tax Act, 1961, restoration of input tax credit under Goods and Services Tax, tax deduction at source for Income tax in respect of nullifying of any transaction between the Transferor Company 2 and Transferee Company 2.
- 36.3 In accordance with the Goods and Services Tax Act and Rules made thereunder, as are prevalent on the Effective Date, the unutilized input tax credits paid on inputs / capital goods / input services lying in the accounts of the Transferor Company 2 shall be permitted to be transferred to the credit of the Transferee Company 2, as if all such unutilized credits were lying to the account of the Transferee Company 2. The Transferee Company 2 shall accordingly be entitled to set off all such unutilized credits against the Goods and Services Tax payable by it.
- 36.4 Upon the Scheme becoming effective, unabsorbed tax losses and unabsorbed tax depreciation of the Transferor Company 2, if any, till the Appointed Date for Amalgamation, would accrue to the Transferee Company 2 in accordance with the provisions of the Income Tax Act, 1961.
- 36.5 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including Section 2(1B) and other relevant sections of the Income tax Act, 1961. If any terms or provisions



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of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company 2, which power shall be exercised reasonably in the best interests of the companies concerned.

37 DISSOLUTION OF THE TRANSFEROR COMPANY 2

On the Scheme becoming effective, the Transferor Company 2 shall stand dissolved without being wound-up.

38 TRANSACTIONS BETWEEN APPOINTED DATE FOR AMALGAMATION AND EFFECTIVE DATE

With effect from the Appointed Date for Amalgamation and up to the Effective Date:

- 38.1 The Transferor Company 2 shall deemed to have held and stood possessed of and shall hold and stand possessed of all their properties and assets pertaining to the business of the Transferor Company 2 for and on account of and in trust for the Transferee Company 2. The Transferor Company 2 hereby undertakes to hold its said assets and liabilities with utmost prudence until the Scheme comes into effect.
- 38.2 The Transferor Company 2 shall carry on its 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 2 alienate charge, mortgage, encumber or otherwise deal with or dispose of the Transferor Company 2 or part thereof.



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- 38.3 It is clarified that any advance tax paid/ Tax Deduction at Source ("TDS") credits/ TDS certificates received by the Transferor Company 2 shall be deemed to be the advance tax paid by/ TDS credit/ TDS certificate of the Transferee Company 2.
- 38.4 All the profits or income, if any, accruing or arising to the Transferor Company 2 or expenditure or losses, if any, arising or incurred or suffered by the Transferee Company 2 pertaining to the business of the Transferor Company 2 shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Transferee Company 2.
- 38.5 The Transferor Company 2 shall not vary the terms and conditions of employment of any of the employees, existing as on the Effective Date, except in the ordinary course of business or without the prior consent of the Transferee Company 2 or pursuant to any pre-existing obligation undertaken by the Transferor Company 2 as the case may be, prior to the Effective Date.
- 38.6 The Transferor Company 2 shall not make any change in its capital structure either by any increase (by issue of equity or shares on a rights basis, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, subdivision or consolidation, re-organization, or in any other manner which may, in any way, affect the share exchange ratio, except by mutual consent of the respective Boards of Directors of the Transferor Company 2 and the Transferee Company 2 or except as may be expressly permitted.

39 VALIDITY OF EXISTING RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions of the Transferor Company 2 as are considered necessary by the Board of Directors of the Transferee Company 2 which are validly subsisting be considered as resolutions of the Transferee Company 2. If any such resolutions have any monetary limits approved under the provisions of the Act or of any other



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applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company 2, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company 2.

40 LEGAL PROCEEDINGS

- 40.1 Upon the coming into effect of this Scheme, if any suit, appeal, legal, taxation or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under any statute, by or against Transferor Company 2 in relation to its business whether pending on the Appointed Date for Amalgamation or which may be instituted any time thereafter, 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 Transferee Company 2, as the case may be, after the Effective Date, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferee Company 2 in relation to business of Transferor Company 2 as if this Scheme had not been made.
- 40.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against Transferor Company 2 in relation to its business, Transferee Company 2 shall be made party thereto and shall prosecute or defend such proceedings in co-operation with Transferor Company 2 and any payment and expenses made thereto shall be the liability of Transferee Company 2.
- 40.3 Transferee Company 2 undertake to have all legal or other proceedings initiated by or against Transferor Company 2 transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against Transferee Company 2 to the exclusion of Transferor Company 2.



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41 CONTRACTS, DEEDS, ETC

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 Company 2 to which the Transferor Company 2 is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company 2, as the case may be, and may be enforced by or against the Transferee Company 2 as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company 2 had been a party thereto. The Transferee Company 2 shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company 2 will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company 2 shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company 2 and to implement or carry out all formalities required on the part of the Transferor Company 2 to give effect to the provisions of this Scheme.

42 STATUTORY LICENCES, PERMISSIONS, APPROVALS

With effect from the Appointed Date for Amalgamation and upon the Scheme becoming effective, all statutory licences, permissions, approvals, copyrights, trademarks or consents, if any, relating to the Undertaking of the Transferor Company 2 shall stand vested in or transferred to the Transferee Company 2 without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company 2. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licences and consents shall vest in and become available to the Transferee Company 2 pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status



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and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company 2 are concerned, the same shall vest with and be available to the Transferee Company 2 on the same terms and conditions.

43 SAVING OF CONCLUDED TRANSACTIONS

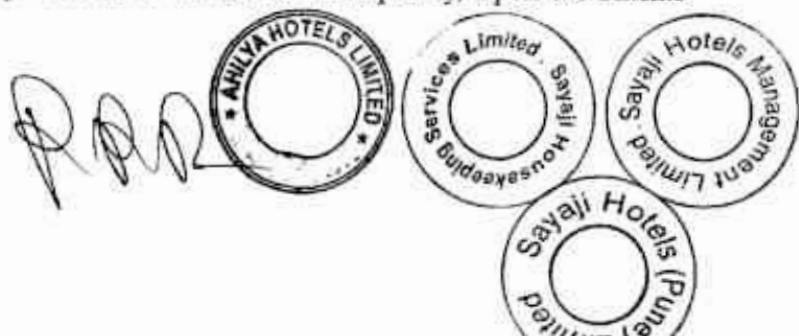
Subject to the terms of this Scheme, the transfer and vesting of the Transferor Company 2 under Clause 31 of this Scheme shall not affect any transactions or proceedings already concluded by the respective business of the Transferor Company 2 on or before the Appointed Date for Amalgamation or concluded after the Appointed Date for Amalgamation till the Effective Date, to the end and intent that Transferee Company 2 accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company 2 as acts, deeds and things made, done and executed by or on behalf of Transferee Company 2.

PART E

GENERAL TERMS AND CONDITIONS

44 AUTHORIZED SHARE CAPITAL OF THE RESULTING COMPANY 1

44.1 Upon the Scheme becoming effective, and in consideration of the demerger of the Demerged Undertaking 1 and the transfer and vesting thereof into the Resulting Company 1, the Resulting Company 1 shall issue and allot fully paid up equity shares to the equity shareholders of the Demerged Company, as on the Record Date in terms of the Scheme. To accommodate such issue and allotment of equity shares by the Resulting Company 1, which would result in increase in its paid up equity share capital, the authorized equity share capital of the Resulting Company 1 shall be adequately enhanced by transferring from the authorized share capital of the Demerged Company to Resulting Company 1 as an integral part of the Scheme, and consequently, upon the Scheme



becoming effective. The amount to be transferred from Demerged Company is as follows:

An amount of INR 90,000,000 (INR Nine Crores only) to the authorized equity share capital of the Resulting Company 1

44.2 The authorized equity share capital of the Resulting Company 1 shall stand enhanced to INR 91,000,000 (INR Nine Crores Ten Lakh only) divided into 9,050,000 (Ninety Lakhs Fifty Thousands only) equity shares of face value of INR 10 (INR Ten) each and 5,000 (Five Thousand only) 10% cumulative redeemable preference shares of INR 100 (INR Hundred only) each without any further act, instrument or deed by the Resulting Company 1, if any and without any liability for payment of additional fee or stamp duty in respect thereof since the stamp duty and fee stands already paid by the Demerged Company on the said authorized equity share capital so transferred, the benefit of which shall accordingly stand transferred in favour of the Resulting Company 1 pursuant to Scheme becoming effective.

44.3 Subsequent to enhancement of authorized share capital of the Resulting Company 1 as contemplated herein, existing clause V of the Memorandum of Association of the Resulting Company 1 (pertaining to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61 and 232 and other applicable provisions of the Act as the case may be and be replaced by the following clause:

"The Authorized Share Capital of the Company is INR 91,000,000 (INR Nine Crores Ten Lakh only) divided into 9,050,000 (Ninety Lakhs Fifty Thousands only) equity shares of face value of INR 10 (INR Ten) each and 5,000 (Five Thousand only) preference shares of INR 100 (INR Hundred only) each with powers to increase or reduce in accordance with the law."

It is hereby clarified that for the purpose of this Clause, the consent of the shareholders of the Resulting Company 1 to the Scheme shall be deemed to be



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sufficient for the purposes of effecting the above amendment and increase in the authorized share capital of the Resulting Company 1, and no further resolutions or actions under Sections 13 or 61 of the Act would be required to be separately passed or taken. However, the Resulting Company 1 shall file the requisite documents with the relevant Registrar of Companies, which has jurisdiction over the Resulting Company 1, for such increase of its authorized share capital, as aforesaid.

45 AUTHORIZED SHARE CAPITAL OF THE RESULTING COMPANY 2

45.1 Upon the Scheme becoming effective, and in consideration of the demerger of the Demerged Undertaking 3 and the transfer and vesting thereof into the Resulting Company 2, the Resulting Company 2 shall issue and allot fully paid up equity shares to the equity shareholders of the Demerged Company, as on the Record Date in terms of the Scheme. To accommodate such issue and allotment of equity shares by the Resulting Company 2, which would result in increase in its paid up equity share capital, the authorized equity share capital of the Resulting Company 2 shall be adequately enhanced by transferring from the authorized share capital of the Demerged Company to Resulting Company 2 as an integral part of the Scheme, and consequently, upon the Scheme becoming effective. The amount to be transferred from Demerged Company is as follows:

An amount of INR 90,000,000 (INR Nine Crores only) to the authorized equity share capital of the Resulting Company 2.

45.2 Upon the Scheme becoming effective and post amalgamation of Transferor Company 2 with SHML, the authorized share capital of the SHKSL would be added to authorised share capital of SHML.

45.3 The authorized equity share capital of the Resulting Company 2 shall stand enhanced to INR 161,000,000 (INR Sixteen Crores Ten Lakh only) divided into 16,040,000 (One Crore Sixty Lakhs and Forty Thousands only) equity shares of



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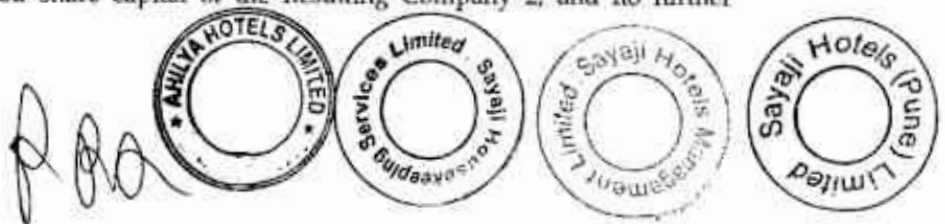


face value of INR 10 (INR Ten) each and 6,000 (Six Thousand only) 10% cumulative redeemable preference shares of INR 100 (INR Hundred only) each without any further act, instrument or deed by the Resulting Company 2, if any and without any liability for payment of additional fee or stamp duty in respect thereof since the stamp duty and fee stands already paid by the Demerged Company and Transferor Company 2 on the said authorized equity share capital so transferred, the benefit of which shall accordingly stand transferred in favour of the Resulting Company 2 pursuant to Scheme becoming effective.

- 45.4 Filing fees and stamp duty, if any, paid by the Demerged Company or Transferor Company 2 on their authorized share capital, shall be deemed to have been so paid by Resulting Company 2 and accordingly, Resulting Company 2 shall not be required to pay any fee/ stamp duty for its increased authorized share capital.
- 45.5 Subsequent to enhancement of authorized share capital of the Resulting Company 2 as contemplated herein, existing clause V of the Memorandum of Association of the Resulting Company 2 (pertaining to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61 and 232 and other applicable provisions of the Act as the case may be and be replaced by the following clause:

"The Authorized Share Capital of the Company is INR 161,000,000 (INR Sixteen Crores Ten Lakh only) divided into 16,040,000 (One Crore Sixty Lakhs and Forty Thousands only) equity shares of face value of INR 10 (INR Ten) each and 6,000 (Six Thousand only) preference shares of INR 100 (INR Hundred only) each with powers to increase or reduce in accordance with the law."

It is hereby clarified that for the purpose of this Clause, the consent of the shareholders of the Resulting Company 2 to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment and increase in the authorized share capital of the Resulting Company 2, and no further



resolutions or actions under Sections 13 or 61 of the Act would be required to be separately passed or taken. However, the Resulting Company 2 shall file the requisite documents with the relevant Registrar of Companies, which has jurisdiction over the Resulting Company 2, for such increase of its authorized share capital, as aforesaid.

46 AUTHORIZED SHARE CAPITAL OF SHL

46.1 Upon the Scheme becoming effective and post amalgamation of Transferor Company 1 with SHL and demerger of Demerged Undertakings to Resulting Companies, the authorized share capital of the SHL shall stand revised. Filing fees and stamp duty, if any, paid by the Transferor Company 1 on its authorized share capital, shall be deemed to have been so paid by SHL and accordingly, SHL shall not be required to pay any fee/ stamp duty for its increased authorized share capital.

46.2 'Clause V' of the Memorandum of Association of SHL shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 61 and 64 and other applicable provisions of the Act by deleting the existing Clause and replacing it by the following:

"The Authorized Share Capital of the company is INR 320,000,000 (INR Thirty Two Crores only) divided into 22,000,000 (Two Crores Twenty Lakhs only) equity shares of the face value of INR 10 (INR Ten only) each and 1,000,000 (Ten Lakhs only) preference shares of INR 100 (INR One Hundred only) each with powers to increase or reduce in accordance with the law".

46.3 The approval of this Scheme by the shareholders of the Transferee Company 1 under Sections 230 to 232 of the Act, whether at a meeting or otherwise, shall be deemed to have the approval under Sections 13, 14, 61, 64 and other applicable provisions of the Act and any other consents and approvals required in this regard.



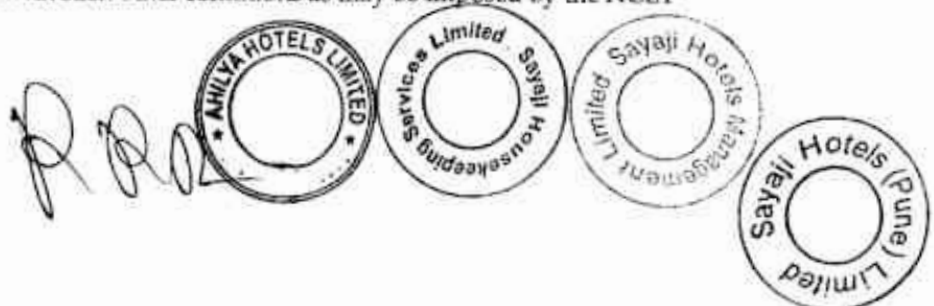
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47 CONDITIONALITY OF THE SCHEME

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

- 47.1 the Scheme being approved by the respective requisite majorities of the various classes of shareholders and/ or creditors (wherever applicable) of Transferor Companies, Demerged Company and Resulting Companies as required under the Act and Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 on Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 issued by the Securities and Exchange Board of India ("SEBI Scheme Circular") or as may be directed by the NCLT;
- 47.2 receipt of approvals of the relevant Stock Exchanges where the equity shares of SHL are listed and traded and SEBI in terms of SEBI Scheme Circular
- 47.3 The sanction of the NCLT under Section 230 to 232 of the Act read with Section 52 and 66 and other applicable provisions of the Act, in favour of the Transferor Companies, Demerged Company and Resulting Companies under the said provisions and the necessary orders under Sections 230 to 232 of the Act being obtained.
- 47.4 The certified copy of the order of the NCLT under Sections 230 to 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Chennai, Tamil Nadu.
- 47.5 Each part in Section of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. However, failure of any one part of one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities shall not result in the whole Scheme failing. It shall be open to the concerned Board of Directors to consent to severing such part(s) of the Scheme and implement the rest of the Scheme as approved by the NCLT with such modification.
- 47.6 Compliance with such other conditions as may be imposed by the NCLT



48 APPLICATION TO HON'BLE NCLT

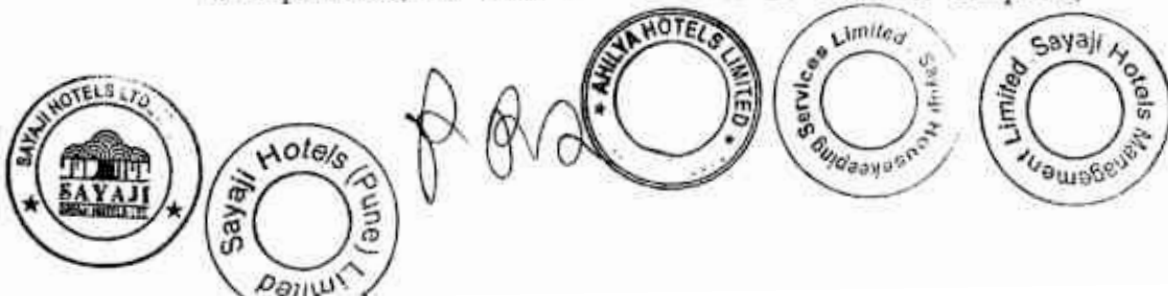
48.1 The Transferor Companies, Transferee Company and the Resulting Companies shall, with all reasonable dispatch, make applications pursuant to Sections 230 to 232 of the Act read with Section 52 and 66 and other applicable provisions of the Act, to the NCLT for sanction and carrying out the Scheme and for consequent dissolution of the Transferor Companies without winding up. The said companies shall also apply for and obtain such other approvals, as may be necessary in law, if any, for bringing the Scheme into effect and be entitled to take such other steps and proceedings as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

49 MODIFICATION OR AMENDMENTS TO THE SCHEME

49.1 Subject to approval of the NCLT, the Transferor Companies, Demerged Company and Resulting Companies by their respective Boards of Directors, may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). The Transferor Companies, Demerged Company and Resulting Companies by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order 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.

50 EFFECT OF NON-RECEIPT OF APPROVALS

50.1 In the event of any approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferor Companies,

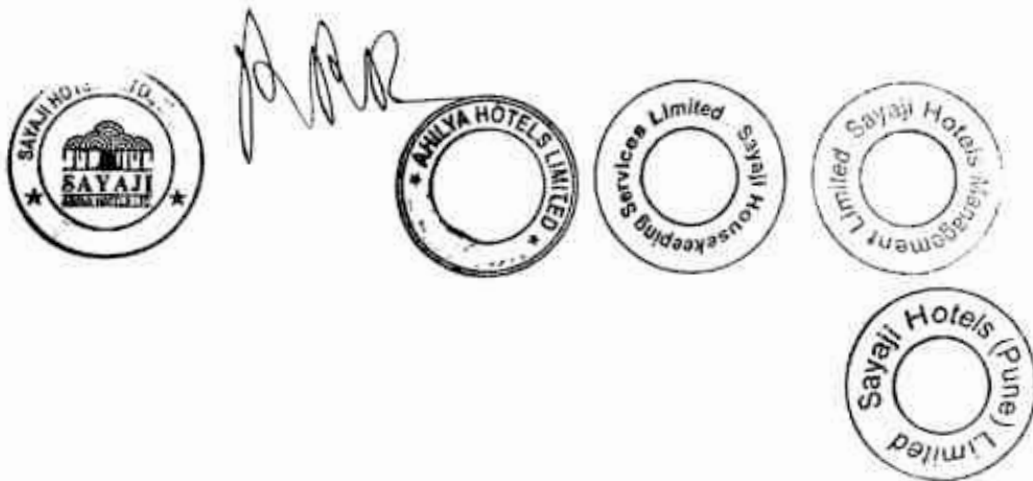


The image shows a handwritten signature in the center, with four circular corporate seals arranged horizontally below it. From left to right, the seals are: 1. Sayaji Hotels Ltd. featuring a temple icon and the text 'SAYAJI HOTELS LTD.' and 'SAYAJI'. 2. Sayaji Hotels (Pune) Limited. 3. Ananya Hotels Limited. 4. Sayaji Housekeeping Services Limited. The signature appears to be written over the 'Ananya Hotels Limited' seal.

Demerged Company and Resulting Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme not being sanctioned by the NCLT, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

51 COSTS, CHARGES & EXPENSES

51.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies, Demerged Company and Resulting Companies arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by either of the Transferor Companies, Demerged Company and Resulting Companies as may be mutually decided between the Transferor Companies, Demerged Company and Resulting Companies.



SCHEDULE A

**TERMS AND CONDITIONS FOR ISSUE OF CUMULATIVE REDEEMABLE
PREFERENCE SHARES**

Issuer	Resulting Company 1 (as mentioned in Clause 27), Resulting Company 2 (as mentioned in Clause 28)
Instrument	Cumulative and Redeemable Preference Share
Face value	INR 100 per Preference Share
Coupon Rate	10% per annum (cumulative)
Transferability	The preference shares shall be transferable in the usual manner only to the member of the company and to the legitimate decedents of a member. The member may sell/ offer to sell the preference shares to others with the approval of the Board of Directors of the company.
Variation of rights	The rights, privileges and conditions attached to the preference shares may not be varied, modified or abrogated without the consent of the preference shareholders
Basis on which the price has been arrived at	As per share entitlement ratio report issued by Mahesh C. Solanki & Co. Chartered Accountants
Terms, manner and modes of redemption	Preference shares to be redeemed within five years from the date of issue of same, at the rate of INR 220/- per Preference share.
Voting rights	Voting rights governing the holders of Preference Shares would be governed by the provisions of the Companies Act, 2013 (as amended from time to time).

For **SAYAJI HOTELS LIMITED**
[Handwritten Signature]
Authorized Signatory



Mahesh C. Solanki & Co.

Chartered Accountants

Date: 12th September, 2018

To
The Board of Directors,

1. Sayaji Hotels Limited,
F1 C2, Sivevel Apartment,
2, Alagappa Nagar, ZaminPallevaram,
Chennai, Tamil Nadu, India, 600117
2. Sayaji Hotels (Pune) Limited
(C2/F1), in Siva vel Apartment,
No. 2, Alagappa Nagar, ZaminPallevaram,
Chennai, Tamil Nadu, India, 600117
3. Sayaji Hotels Management Limited
(C2/F1), in Siva vel Apartment,
No. 2, Alagappa Nagar, ZaminPallevaram,
Chennai, Tamil Nadu, India, 600117

Sub: Share entitlement ratio report

1. Context and purpose

We refer to our engagement letter dated 2nd July, 2018 and subsequent discussions with the management of the companies for ratio of allotment of equity shares and preference shares of the Sayaji Hotels (Pune) Limited ("SHPL") and Sayaji Hotels Management Limited ("SHML") to be issued to the shareholders of Sayaji Hotels Limited ("SHL") in connection with proposed demerger of Baroda business, Pune business and Housekeeping and Management business ("Business Undertaking") of Sayaji Hotels Limited into Resulting Companies respectively, with 1st April 2019 as the appointed date ("Appointed Date").

2. Background

- i) Sayaji Hotels Limited ("SHL") was incorporated as Mahal Land and Housing Company Private Limited on 5th April 1982 bearing registration number 5131 of 1982-83 with the Registrar of Companies, Ahmedabad under the provisions of the Companies Act, 1956. SHL was renamed as Sayaji Hotels Limited on 10th July 1987. SHL is a listed company bearing CIN: L51100TN1982PLC174332, primarily engaged in the business of owning, operating & managing hotels under multiple divisions namely: (i) Indore business, (ii) Vadodara business, (iii) Pune business (iv) Housekeeping and Management business. The equity shares of SHL are listed and traded on the BSE Limited. On 03.09.2018 registered office of SHL was shifted from Kaxi Ghoda, Sayajinagar, opposite Rajashree Talkies, Vadodara, Gujarat, India, 390005 to F1 C2, Sivevel Apartment, 2, Alagappa Nagar, ZaminPallevaram, Chennai, Tamil Nadu, India, 600117.

We understand that the management of SHL is contemplating scheme of arrangement whereby it is proposed that Vadodara business, Pune business and Housekeeping and Management business ("Demerged Undertakings") be demerged from SHL into SHPL and SHML (collectively referred to as "Resulting Companies") and SHPL and SHML will issue, in consideration of the demerger, its shares to the shareholders of SHL. SHPL and SHML are wholly owned subsidiaries of SHL.

- ii) The demerger is proposed to be effected through scheme of arrangement under section 230 to 232 of the Companies Act, 2013 read with Section 52 and 66 and other applicable provisions of the Companies Act, 2013.



H/O - 803, Axel Heights, PU-3, Scheme No. 54, Opp. Malhar Mega Mall, A.B. Road, Indore - 452 010 (M.P.) India
Tel: +91-731-4576077, 4075777 | Fax: +91-731-4067929 | Email: info@mcscs.com | Web: www.mcscs.com

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iii) In connection with demerger, the management of Sayaji Hotels Limited has requested us to provide report on the ratio of allotment of equity shares of the Resulting Companies to the shareholders of SHL based on information to be made available by the management.

iv) We understand that consequent to demerger, there will be no impact on the economic beneficial interest of the shareholders of the SHL.

3. Procedures

The procedure used in our analysis including substantive procedures as we considered necessary under the circumstances:

- i) Considered the audited financial statements of the SHL for the year ended March 31, 2018
- ii) Considered the number of equity shares/ preference shares of Resulting Company proposed to be issued to the shareholders of SHL on the demerger of Business Undertakings into Resulting Companies.
- iii) Considered Draft Scheme of Arrangement for the demerger
- iv) Consider the existing shareholding pattern of SHL and the envisaged shareholding pattern of Resulting Companies

4. Share entitlement ratio

Management has informed us that SHL and Resulting Companies have been incorporated with equity shares having face value of INR 10 per share and preference shares having face value of INR 100 per share.

Based on the above, management has proposed the following Share Entitlement Ratio:

For demerger of Vadodara and Pune business:

"For every 23 equity share of face value of INR 10 (Rupees Ten only) each held in SHL as on the record date, the equity shareholders of SHL shall be issued 4 equity shares of face value INR 10 (Rupees Ten only) each credited as fully paid-up in SHPL."

"For every 125,000 preference share of face value of INR 100 (Rupees Hundred only) each held in SHL as on the record date, the preference shareholders of SHL shall be issued 1 preference share of face value INR 100 (Rupees Hundred only) each credited as fully paid-up in SHPL."

For demerger of Housekeeping and Management business:

"For every 23 equity share of face value of INR 10 (Rupees Ten only) each held in SHL as on the record date, the equity shareholders of SHL shall be issued 4 equity shares of face value INR 10 (Rupees Ten only) each credited as fully paid-up in SHML."

"For every 125,000 preference share of face value of INR 100 (Rupees Hundred only) each held in SHL as on the record date, the preference shareholders of SHL shall be issued 1 preference share of face value INR 100 (Rupees Hundred only) each credited as fully paid-up in SHML."

For merger of Sayaji Housekeeping Services Limited into SHML:

The shareholding of the ultimate beneficial owners of the 100% subsidiary company i.e. Sayaji Housekeeping Services Limited is a mirror image of the shareholding of the proposed demerged company i.e. Sayaji Hotels Management Limited. Hence there is no separate valuation report required for the proposed merger of these two entities. As per



SEBI circular dated 10 March 2017, (Ref: CFD/DIL3/CIR/2017/21) valuation in connection with this merger is not required

We have considered the outstanding number of equity shares of SHL and envisaged number of equity shares of the Resulting Companies as follows:

- i) As of report date, the issued, subscribed and paid up capital of SHL consists of 17,518,000 Equity Shares of INR 10/- each and 1,000,000 10% Cumulative Redeemable Preference of INR 100 each.
- ii) As of the report date, the initial issued, subscribed and paid up capital of SHPL is envisaged to consist of 50,000 Equity shares of INR 10 each. The entire share capital of SHPL is held by SHL. The shares held by SHL in SHPL shall be cancelled as in integral part of the scheme.
- iii) As of the report date, the initial issued, subscribed and paid up capital of SHML is envisaged to consist of 50,000 Equity shares of INR 10 each. The entire share capital of SHML is held by SHL. The shares held by SHL in SHML shall be cancelled as in integral part of the scheme.
- iv) The draft scheme provides the following in case of fractional entitlements in issue and allotment of such shares as aforesaid, the fractional entitlements of shares of any shareholders of SHL shall not be taken into account, but such shares representing fractional entitlements shall be consolidated and thereupon Resulting Companies will issue and allot shares in lieu thereof a person/ trustee authorized by the Board of Resulting Companies in this behalf upon trust, who will sell them on the date of listing of such shares or within such period of listing of such shares as may be decided by the Board of Directors of Resulting Companies, and distribute their sale proceeds (less expenses, if any) to the shareholders of SHL, who are entitled to such fractional shares or, round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant shareholders of SHL, or, deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of SHL.

Pursuant to scheme, the Resulting Companies, in order to comply with the intent of maintaining the economic interest of shareholders of SHL, shall issue following shares to the shareholders of SHL:-

SHPL: 3,046,609 equity shares of face value INR 10/- each to all the equity shareholders of SHL

8 preference shares of face value INR 100/- each to all the preference shareholders of SHL.

SHML: 3,046,609 equity shares of face value INR 10/- each to all the equity shareholders of SHL

8 preference shares of face value INR 100/- each to all the preference shareholders of SHL.

5. Basis for determination of share entitlement ratio:

Consequent to this demerger, the economic beneficial interest of the shareholders of SHL shall remain same.

In light of the above, a fair valuation of equity shares of SHL or Resulting Companies have not been carried out.

Valuation Approach	SHL		SHPL		SHML	
	Value per share	Weight	Value per share	Weight	Value per share	Weight



Asset Approach	NA	NA	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA	NA	NA
Relative Value Per Share	NA		NA		NA	
Entitlement Ratio			NA		NA	

Based on the abovementioned scheme, analysis above and caveats below, and considering that all the current shareholders of the SHL are and will, upon demerger, be ultimate beneficial economic owners of the Resulting Companies and that upon allotment of equity shares and preference shares by the Resulting Companies in the proposed share entitlement ratio, the beneficial economic interest of the shareholders of Resulting Companies will be same as it is in SHL. Thus, the share entitlement ratio proposed by the management in para 4 above is fair in relation to demerger.

6. Caveats

- i) We have relied upon the information, data and explanations in paragraph 2 and 3 above for the purpose of reporting on the ratio of allotment of the equity shares and preference shares of the Resulting Companies to the shareholders of SHL in connection with the proposed demerger.
- ii) For the purpose of opining on the share entitlement ratio we have used financial and other information provided by the management, which we believe to be reliable and are conclusions are dependent on such information being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of financial and other information provided by the management. We have, therefore, not carried out any due diligence review, independent audit or other test or validation of such financial and other information to establish the accuracy or sufficiency of the financial statements referred to above or of the information, explanations and representations provided to us. We have thus relied upon the audits carried out by K.L. Vyas & Co., Chartered Accountants, Auditor of SHL, provided to us. Accordingly, we do not express any opinion or any other form of assurance thereon and accept no responsibility for the same.
- iii) We have made no investigation of, and assume no responsibility for the title to, or liabilities against, the equity of SHL.
- iv) The business of SHL is proposed to be demerged into Resulting Companies with effect from the Appointed Date and we have considered the financial statements of SHL as at 31st March 2018. The management has explained that the Business Undertaking would be carried on in due course of business till the Appointed Date and subsequently, till the scheme is approved. The management has represented that financial statements of SHL as at 31st March 2018, provided to us, includes all disclosures necessary for a fair presentation of its financial position and results of operations in accordance with generally accepted accounting principles of India consistently applied, and disclosures otherwise required by the laws and regulations to which they are subject. The management has further represented that the management does not anticipate any changes in the financial position of the Business Undertaking, other than that in ordinary course of business till the Appointed Date.
- v) Our scope of work is limited to expression of our view on the proposed share entitlement ratio and its impact on the economic interest of the shareholders of the Specified Companies. Our report is not, nor should it be construed as, our opining or certifying the compliance of the proposed demerger of the Demerged Undertakings with the provisions of any law including companies, FEMA and taxation related laws or as regards any legal implications or issues arising from such proposed demerger.
- vi) While we have provided our view on the share entitlement ratio based on the information available to us and within the scope and constraints of our engagement, others may have



a different opinion. You acknowledge and agree that you have the final responsibility for determination of the share entitlement ratio for the proposed demerger and factors other than our report will need to be taken into account in determining such ratios; these will include your own assessment of the proposed demerger and may include the input of other professional advisors.

7. Distribution of reports

This letter report is prepared for the Board of Directors of SHL and the Resulting Companies and to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the transaction.

In no event shall we liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the specified companies, their directors, employees or agents. In no circumstances shall liability of Mahesh C. Solanki & Co., Chartered Accountants, its partners, directors, employees relating to the services provided in connection with the engagement set out in this report exceed the amount paid to us in respect of the fees charged for these services.

Yours faithfully,

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No:06228C


CA. Rajat Jain
Partner
Membership No. 413515



Place: Indore
Date: 12th September, 2018

Mahesh C. Solanki & Co. Chartered Accountants

Date: 19th November, 2019

To

The Board of Directors,

1. Sayaji Hotels Limited
F1 C2, Sivavel Apartment,
2, Alagappa Nagar, Zamin Pallavaram,
Chennai, Tamil Nadu, India, 600117
2. Sayaji Hotels (Pune) Limited
(C2/F1), in Siva Vel Apartment,
No. 2, Alagappa Nagar, Zamin Pallavaram,
Chennai, Tamil Nadu, India, 600117
3. Sayaji Hotels Management Limited
(C2/F1), in Siva Vel Apartment,
No. 2, Alagappa Nagar, Zamin Pallavaram,
Chennai, Tamil Nadu, India, 600117

Sub: Addendum to Share entitlement ratio report dated 12th September 2018 issued by Mahesh C. Solanki & Co, Chartered Accountants in connection with the proposed demerger of Baroda business, Pune business and Housekeeping and Management business ('Business Undertaking') of Sayaji Hotels Limited into Resulting Companies

Dear Sir(s),

This Addendum Letter ('Addendum') is given in addition to our report dated 12th September 2018 ('Previous report') for ratio of allotment of equity shares and preference shares of the Sayaji Hotels (Pune) Limited ('SHPL') and Sayaji Hotels Management Limited ('SHML') to be issued to the shareholders of Sayaji Hotels Limited ('SHL') in connection with proposed demerger of Baroda business, Pune business and Housekeeping and Management business ('Business Undertaking') of Sayaji Hotels Limited into Resulting Companies respectively, with 1st April 2019 as the appointed date ('Appointed Date').

This Addendum has to be read in continuation to our Previous report and does not have any relevance if read independently.

We have been informed by the management of SHL that the scheme was filed with BSE Limited ('BSE') on 12.10.2018 as per the regulation 37 of the SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009. In this connection, Mahesh C. Solanki & Co, Chartered Accountants have been requested to add one para on no requirements of obtaining valuation report in case where there is no change in the shareholding pattern of the listed entity/ resulting company as per the SEBI circular dated 10th March 2017, (Ref: CFD/DIL3/CIR/2017/21).

In light of the above, para 4 on 'Share entitlement ratio' should be read as follows:

..

4. Share entitlement ratio

Management has informed us that SHL and Resulting Companies have been incorporated with equity shares having face value of INR 10 per share and preference shares having face value of INR 100 per share.

Based on the above, management has proposed the following Share Entitlement Ratio:



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Tel : +91-731-2576077, 4075777 Fax : +91-731-2067699 Email : info@mcscsca.com | Web : www.mcscsca.com

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For demerger of Baroda and Pune business:

"For every 23 equity share of face value of INR 10 (Rupees Ten only) each held in SHL as on the record date, the equity shareholders of SHL shall be issued 4 equity shares of face value INR 10 (Rupees Ten only) each credited as fully paid-up in SHPL."

"For every 125,000 preference share of face value of INR 100 (Rupees Hundred only) each held in SHL as on the record date, the preference shareholders of SHL shall be issued 1 preference share of face value INR 100 (Rupees Hundred only) each credited as fully paid-up in SHPL."

The shareholding of the ultimate beneficial owners of SHPL would be a mirror image of the shareholding of the proposed demerged company i.e. Sayaji Hotels Limited. Hence, valuation report is not required for the proposed demerger of Baroda and Pune business of SHL into SHPL. As per SEBI circular dated 10th March 2017, (Ref: CFD/DIL3/CIR/2017/21) valuation report in connection with this demerger is not required as there is no change in the shareholding pattern of the resultant company (i.e. SHPL).

For demerger of Housekeeping and Management business:

"For every 23 equity share of face value of INR 10 (Rupees Ten only) each held in SHL as on the record date, the equity shareholders of SHL shall be issued 4 equity shares of face value INR 10 (Rupees Ten only) each credited as fully paid-up in SHML."

"For every 125,000 preference share of face value of INR 100 (Rupees Hundred only) each held in SHL as on the record date, the preference shareholders of SHL shall be issued 1 preference share of face value INR 100 (Rupees Hundred only) each credited as fully paid-up in SHML."

The shareholding of the ultimate beneficial owners of SHML would be a mirror image of the shareholding of the proposed demerged company i.e. Sayaji Hotels Limited. Hence, valuation report is not required for the proposed demerger of Housekeeping and Management business of SHL into SHML. As per SEBI circular dated 10th March 2017, (Ref: CFD/DIL3/CIR/2017/21), valuation report in connection with this demerger is not required as there is no change in the shareholding pattern of the resultant company (i.e. SHML).

For merger of Sayaji Housekeeping Services Limited into SHML:

The shareholding of the ultimate beneficial owners of the 100% subsidiary company i.e. Sayaji housekeeping Services Limited is a mirror image of the shareholding of the proposed resulting company i.e. Sayaji Hotels Management Limited. Hence there is no separate valuation report required for the proposed merger of these two entities. As per SEBI circular dated 10 March 2017, (Ref: CFD/DIL3/CIR/2017/21) valuation in connection with this merger is not required.

We have considered the outstanding number of equity shares of SHL post amalgamation of Ahilya Hotels Ltd. into Sayaji Hotels Ltd. and envisaged number of equity shares of the Resulting Companies as follows:

- i) As of report date, the issued, subscribed and paid up capital of SHL consists of 17,518,000 Equity Shares of INR 10/- each and 1,000,000 10% Cumulative Redeemable Preference of INR 100 each. Further, post amalgamation the proposed outstanding number of equity shares of SHL will be 1,75,17,732 of INR 10/- each and 1,000,000 10% Cumulative Redeemable Preference Shares of INR 100/- each.
- ii) As of the report date, the initial issued, subscribed and paid up capital of SHPL is envisaged to consist of 50,000 Equity shares of INR 10 each. The entire share capital of SHPL is held by SHL. The shares held by SHL in SHPL shall be cancelled as in integral part of the scheme.



- iii) As of the report date, the initial issued, subscribed and paid up capital of SHML is envisaged to consist of 50,000 Equity shares of INR 10 each. The entire share capital of SHML is held by SHL. The shares held by SHL in SHML shall be cancelled as in integral part of the scheme.
- iv) The draft scheme provides the following in case of fractional entitlements in issue and allotment of such shares as aforesaid, the fractional entitlements of shares of any shareholders of SHL shall not be taken into account, but such shares representing fractional entitlements shall be consolidated and thereupon Resulting Companies will issue and allot shares in lieu thereof a person/ trustee authorized by the Board of Resulting Companies in this behalf upon trust, who will sell them on the date of listing of such shares or within such period of listing of such shares as may be decided by the Board of Directors of Resulting Companies, and distribute their sale proceeds (less expenses, if any) to the shareholders of SHL, who are entitled to such fractional shares or, round off all fractional entitlements to the next whole number above the fractional entitlement and issue such number of securities to the relevant shareholders of SHL, or, deal with such fractional entitlements in such other manner as they may deem to be in the best interests of the shareholders of SHL.

Pursuant to scheme, the Resulting Companies, in order to comply with the intent of maintaining the economic interest of shareholders of SHL, shall issue following shares to the shareholders of SHL:

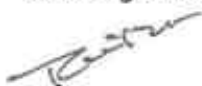
SHPL: 3,046,563 equity shares of face value INR 10/- each to all the equity shareholders of SHL

8 preference shares of face value INR 100/- each to all the preference shareholders of SHL

SHML: 3,046,563 equity shares of face value INR 10/- each to all the equity shareholders of SHL

8 preference shares of face value INR 100/- each to all the preference shareholders of SHL"

For Mahesh C. Solanki & Co.
Chartered Accountants
Firm Registration No: 06228C



CA. Rajat Jain
Partner
Membership No. 413515



Place: Indore
Date: 19th November, 2018

THADANI & COMPANY



CHARTERED ACCOUNTANTS

1/50, SHREE GANESH SOCIETY, NEXT TO WORLI POLICE STATION, DR. A. B. ROAD,
WORLI, MUMBAI - 400 010, TEL.: 2492 6129 + 2496 8411 • RES.: 2218 6043
Email: www.thadani@gnaf.com

STRICTLY PRIVATE AND CONFIDENTIAL

To,

17th September 2018

The Board of Directors,
Sayaji Hotels Limited
F1 C2, Sivavel Apartment,
2, Alagappa Nagar, Zamin Pallavaram,
Chennai, Tamil Nadu, India, 600117

The Board of Directors
Ahilya Hotels Limited
F1 C2, Sivavel Apartment,
2, Alagappa Nagar, Zamin Pallavaram,
Chennai, Tamil Nadu, India, 600117

Dear Sirs,

**Re: Recommendation of fair equity share exchange ratio for the Proposed Merger of
Ahilya Hotels Limited into Sayaji Hotels Limited**

This has reference to our terms of engagement and various discussions that we have had with and the information that we have received from the key executives and representatives of Sayaji Hotels Limited ('Sayaji') and Ahilya Hotels Limited ('Ahilya') from time to time in the above matter. (Sayaji and Ahilya are hereinafter individually referred to as the 'Client' / 'Company' and collectively referred to as the 'Clients' / 'Companies').

SCOPE AND PURPOSE OF THIS REPORT

We understand that the managements of the Companies are exploring the possibility of the merger of Ahilya into Sayaji (the 'Proposed Merger'), with effect from the appointed date of 1st April 2019, pursuant to a Composite Scheme of Amalgamation and Arrangement under Sections 230 to 232 read with Sections 52 and 66 and other applicable provisions of the Companies Act 2013 including any statutory modifications or re-enactments thereof (the 'Scheme').



**Page 2 of Valuation Report to Sayaji Hotels Limited and Ahilya Hotels Limited
dt: 17th September, 2018**

In connection with the above, the Companies have requested us to render professional services by way of recommendation of the fair equity share exchange ratio for the Proposed Merger (the 'Ratio') as at the valuation date of 31st March 2018 (the 'Valuation Date') for consideration of the respective Boards of Directors of the Companies.

As requested we have carried out a relative valuation of the equity shares of Sayaji and Ahilya as at the Valuation Date with a view to recommending a fair equity share exchange ratio of the equity shares of Sayaji for the equity shares of Ahilya in the event of the Proposed Merger. This report recommends, what in our opinion, is a fair and equitable equity share exchange ratio for the Proposed Merger and is our deliverable in respect of our recommendation of fair equity share exchange ratio for the Proposed Merger.

This report and the information contained therein is absolutely confidential. It is intended only for the sole use and information of the Companies, and only for the purpose of obtaining regulatory approvals in connection with the Proposed Merger. The results of the valuation and this report should not be used or relied upon by the Companies for any other purpose or by any other party for any purpose. We are not responsible to any other person / party for any decision of such person / party based on this report. Any person / party intending to provide finance / invest in the shares / business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof other than by the Companies for the purpose set out earlier in this report, is not permitted. Neither this report, nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than by the Companies in connection with the Proposed Merger.

SOURCES OF INFORMATION

The valuation exercise was undertaken on the basis of the following information relating to the Companies, furnished to us by the representatives of the Companies and information available in the public domain:

- Draft Composite Scheme of Amalgamation and Arrangement for the Proposed Merger
- Audited financials of Sayaji for the years ended 31st March 2017 and 31st March 2018



**Page 3 of Valuation Report to Sayaji Hotels Limitd and Ahilya Hotels Limited
dt: 17th September, 2018**

- Audited financials of Ahilya for the year ended 31st March 2017
- Provisional financials of Ahilya for the year ended 31st March 2018 and three months ended 30th June 2018
- Projected balance sheet and profit and loss accounts of Sayaji for a period of 5 years from the Valuation Date
- Relevant details about value of surplus assets as at the Valuation Date
- Management Discussions
- Other relevant details

We have also received the necessary explanations, information and representations which we believed were relevant to the present valuation exercise from the representatives of the Companies.

BACKGROUND OF COMPANIES

Sayaji

Sayaji is primarily engaged in the business of owning, operating & managing hotels under multiple divisions namely: (i) Indore business, (ii) Baroda business, (iii) Pune business (iv) Housekeeping and Management business and (v) Restaurant business. The equity shares of Sayaji are listed and traded on the BSE Limited.

The issued, subscribed and paid up equity share capital of Sayaji as at the Valuation Date is Rs. 175 million consisting of 17,518,000 equity shares of face value of Rs. 10/- each fully paid up. We have been informed that there has been no change in the number of outstanding shares subsequent to the Valuation Date.

Ahilya

Ahilya is an unlisted company which was set up with the objective to construct, run, render technical advice in constructing, furnishing and running of lodging and boarding activities. However, as at the Valuation Date the Company does not have any business operations. Ahilya holds 2,455,000 equity shares in Sayaji.



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The issued, subscribed and paid up equity share capital of Ahilya as at the Valuation Date is Rs. 81 million consisting of 8,063,970 equity shares of face value of Rs. 10/- each fully paid up. We have been informed that subsequent to the Valuation Date, there has been an additional issue of shares and the outstanding equity shares have increased to 8,959,770.

RELATIVE VALUATION APPROACHES AND METHODOLOGIES

The Scheme envisages the Proposed Merger of Ahilya into Sayaji. In consideration thereof, equity shares of Sayaji will be issued to the equity shareholders of Ahilya. As mentioned in the Scheme, the equity share capital of Sayaji held by Ahilya shall stand cancelled.

Arriving at the ratio would require determining the relative fair value of the equity shares of the transferee company in terms of the relative fair value of the equity shares of the transferor company i.e. a relative valuation of the equity shares of the companies. There are several commonly used and accepted methods for determining the fair value of the equity shares of a company / business, which can be considered for such a relative valuation as in the present case, to the extent relevant and applicable, such as:

Asset Approach:

- Net Asset Value ('NAV') Method

Market Approach:

- Market Prices ('MP') Method
- Comparable Companies' Multiples ('CCM') Method
- Comparable Transactions' Multiples ('CTM') Method

Income Approach:

- Discounted Cash Flows ('DCF') Method

In the present case, as mentioned earlier, considering that Ahilya is an unlisted entity and does not have any operations as at the Valuation Date, the only method that can be applied is the NAV method. Consequently we have used the NAV method under the asset approach for valuation of the equity shares of Ahilya.

In case of Sayaji although the equity shares are listed, the shares are infrequently traded and hence the value under the MP method may not be indicative of the fair value of the equity shares



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of Sayaji. Consequently in addition to the MP method, we have also used the CCM method under the market approach and the DCF method under the income approach to value the equity shares of Sayaji. We could not use the CTM method, as based on our research and discussions with the Company, we could not find comparable transactions the details of which were available in public domain. Moreover, considering that the valuation is on a going concern basis with no intention to dispose of operating assets, we did not use the NAV method.

MP Method

In case of a company, the equity shares of which are listed, the market price of an equity share as quoted on a stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in.

Accordingly, in the present case, the value of the equity shares of Sayaji under this methodology has been determined as per the formula prescribed in The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

CCM Method

Under this method, the value of the equity shares of a company is measured by applying the derived market multiples – based on the market quotations of comparable listed companies possessing attributes similar to the business of the company that is being valued – to the company's metrics after making adjustments to such multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate factors relevant to valuation.

Under this method, for the purpose of valuing the equity shares of Sayaji, we have considered the multiples of companies that are engaged in similar business as Sayaji and the equity shares of which are listed in India. We considered the appropriate revenue based valuation multiple derived from market quotations of comparable listed companies after considering due adjustments for the strengths and weaknesses of and opportunities and threats to the business



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of Sayaji and the comparable companies. To the value of the operating business so arrived, we have made suitable adjustments (viz. debt and surplus assets) to arrive at the total value of the business for the equity shareholders. The value per equity share was arrived at by dividing the value of the business for equity shareholders, arrived at above, by the number of equity shares of Sayaji.

DCF Method

The DCF method is considered the most theoretically sound approach and scientific and acceptable method for determination of the value of a company. Under this technique the projected free cash flows from business operations are discounted at the weighted average cost of capital to the providers of capital to the company, and the sum of the present discounted value of such free cash flows is the value of the company.

The future free cash flows are derived considering, inter alia, the changes in the working capital and investments in capital expenditure. They are an aggregation of the free cash flows during the explicit forecast period – prepared based on the business plans – and during the post explicit forecast period, estimated using an appropriate method, and are available to all providers of the company's capital - both debt and equity.

The discount rate i.e. weighted average cost of capital ("WACC"), which is applied to the free cash flows should reflect the opportunity cost to all the capital providers (namely shareholders and lenders), weighted by their relative contribution to the total capital of the company. Determining the WACC involves determining the Debt Equity ratio, Cost of Debt and the Cost of Equity.

To the value of the business so arrived at, the value of surplus / non-operating assets, debt and other assets / liabilities as appropriate, if any, have to be adjusted to arrive at the total value of the business for the equity shareholders of the company.

In the present case, for the purpose of valuing the equity shares of Sayaji, we have applied the DCF method to the projected working results, as furnished to us by the Company, to arrive at the value of the operating business. To the value of the operating business so arrived, we have made suitable adjustments (viz. debt and surplus assets) to arrive at the total value of the



**Page 7 of Valuation Report to Sayaji Hotels Limited and Ahilya Hotels Limited
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business for the equity shareholders. The value per equity share was arrived at by dividing the value of the business for equity shareholders, arrived at above, by the number of equity shares of Sayaji.

NAV Method

This valuation method is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation method is mainly used in a case where the firm is to be liquidated i.e. it does not meet the 'going concern' criteria or in a case where the asset base dominates earnings capability.

In the present case, we have considered and used the Net Asset Value method to value the equity shares of Ahilya. For this purpose, we have considered the provisional balance sheet of Ahilya as at the Valuation Date, as provided to us by the Company, and made suitable adjustments as deemed appropriate for our valuation analysis. The realizable value of the investment held by Ahilya in Sayaji as at the Valuation Date has been considered at fair value. As loans have been converted to equity subsequent to the Valuation Date but before the date of the report, we have factored such conversion in our valuation. The managements of the Companies have also represented that there are no significant differences in accounting policies between both the Companies. The value per equity share was arrived at by dividing the value of the business for equity shareholders, arrived at above, by the number of equity shares of Ahilya.

SCOPE LIMITATIONS

Our report is subject to the scope limitations detailed in this report. The report is to be read not in parts, but in totality and in conjunction with the relevant documents referred to in this report. We had provided a draft of this report to the Companies. The report has been reviewed by the Companies and they have confirmed that the factual information contained in this report is correct.

It should be understood that the value at which investments are made / price paid in a transaction between a willing buyer and a willing seller may differ from the values indicated in this report due to factors such as the motivation of parties, negotiation skills of the parties, the structure of the transaction or other factors unique to the transaction. This report and the opinion



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dt: 17th September, 2018**

/ valuation contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as agreed per terms of our engagement. It may not be valid for any other purpose or as at any other date. Valuation analysis and results are also specific to the date of this report.

This report is issued on the understanding that the Companies have drawn our attention to all the matters, of which they are aware concerning the financial position of the Companies and any other matter, which may have an impact on our recommendation of the Ratio, including any significant changes that have taken place or are likely to take place in the financial position of the Companies since the Valuation Date. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Our work does not constitute an audit, due diligence or certification or review of the historical financial statements of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

In the course of the valuation, we were provided with both written and verbal information. We have evaluated the information provided to us by the Companies through broad inquiry and analysis (but have not carried out a due diligence or audit or review of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided). The terms of our engagement were such that we were entitled to rely upon the information provided by the Companies without detailed inquiry. Also, we have been given to understand by the management of the Companies that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the Companies and their impact on the present exercise.

We express no opinion on the achievability of the budgeted / projected results of Sayaji as given to us by the Companies. These budgeted / projected results are the responsibility of the Companies. We are informed that the assumptions used in their preparation, are based on the Companies' present expectations of both - the most likely set of future business events and



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circumstances and the Company management's consequential course of action. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.

No investigation of the Companies' claim to title of assets has been made for the purpose of this valuation and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

Our report is not nor should it be construed as our opining or certifying the compliance with the provisions of any law / standards including company, foreign exchange regulatory, accounting and taxation / transfer pricing laws / standards or as regards any legal, accounting or taxation implications or issues.

This report does not look into the business / commercial reasons behind the Proposed Merger nor the likely benefits arising out of the same. Our report is not nor should it be construed as our recommending the Proposed Merger. Similarly, it does not address the relative benefits of the Proposed Merger as compared with any other alternative business transaction or other alternatives, or whether or not such alternatives could be achieved or are available. Any decision by the Companies regarding whether or not to proceed with the Proposed Merger shall rest solely with the Companies. In addition, we express no opinion or recommendation as to how the shareholders or creditors of the Companies should vote at any shareholders' or creditors' meeting(s) to be held in connection with the Proposed Merger.

We owe responsibility to only the Board of Directors of the Companies that have retained us and nobody else, and to the fullest extent permitted by law, we accept no responsibility or liability to any third party in connection with this report.

RECOMMENDATION OF RATIO

The Ratio for the Proposed Merger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purpose of recommending a ratio of



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dt: 17th September, 2018**

exchange it is necessary to arrive at a single value for the equity shares of each company. For this purpose, it is necessary to give appropriate weightages to the values arrived at under each methodology. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the equity shares of each company / business but at their relative values to facilitate the determination of a ratio.

As mentioned earlier, although the equity shares of Sayaji are listed, they are infrequently traded in. Consequently we have given a lower weightage to the value under the MP method. Between the CCM method and the DCF method, considering the fact that the value under the CCM method is representative of market expectations and parameters, we have assigned a higher weightage to the value under the CCM method and a lower weightage to the value under the DCF method.

On the other hand, as mentioned earlier, for Ahilya we have given full weightage to the value under the NAV method.

Please refer Annexure 1 for summary of computation of the Ratio.

The Ratio has been arrived on the basis of a relative valuation of the shares of the Companies based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. Valuation is an art, not an exact science. There will always be factors which are not evident from the face of the balance sheets but which strongly influence the value of an asset, and that is where the valuer's judgment plays a part.

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report, in our opinion the fair equity share exchange ratio for the Proposed Merger of Ahilya into Sayaji as at the Valuation Date would be:



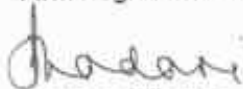
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dt: 17th September, 2018

- 20 (Twenty) equity shares of Sayaji of Rs. 10/- fully paid up for every 73 (Seventy Three) equity shares of Ahilya of Rs. 10/- each fully paid up.

Thanking you,

Yours faithfully,

For Thadani & Company
Chartered Accountants
Firm Registration No. 113639W



Suresh J Thadani
Proprietor
Membership No. 33569



Annexure 1

VALUATION APPROACH	SAYAJI		AHILYA	
	EQUITY VALUE PER SHARE (INR)	WEIGHT	EQUITY VALUE PER SHARE (INR)	WEIGHT
Asset Approach	NA #	0%	146.68	100%
Income Approach	544.44	40%	NA @	0%
Market Approach				
- Comparable Companies Multiples Method	529.15	60%	NA @	0%
	577.70	50%		
- Market Prices Method	286.39	10%		
Relative Value per Share	535.27	100%	146.68	100%

Fair Equity Share Exchange Ratio:

20 (Twenty) equity shares of Sayaji of Rs. 10/- fully paid up for every 73 (Seventy Three) equity shares of Ahilya of Rs. 10/- each fully paid up.

NA = Not Applicable / Not Adopted

Note: Asset Approach was not used in case of Sayaji considering that the valuation is on a going concern basis with no intention to dispose of operating assets.

@ Note: Income Approach and Market Approach were not used in case of Ahilya since Ahilya does not have any business operations of its own.



FAIRNESS OPINION REPORT ON 'SHARE ENTITLEMENT REPORT' ISSUED FOR
PROPOSED SCHEME OF ARRANGEMENT BETWEEN
SAYAJI HOTELS LIMITED
AND
AHILYA HOTELS LIMITED
AND
SAYAJI HOUSEKEEPING SERVICES LIMITED
AND
SAYAJI HOTELS (PUNE) LIMITED
AND
SAYAJI HOTELS MANAGEMENT LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Prepared by

SAFFRON

***** emerging brands

Saffron Capital Advisors Private Limited

SEBI Registered Category I Merchant Banker

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SEBI Registration No: INM000011211

September 19, 2018

Notice to Reader

This report is prepared by Saffron Capital Advisors Private Limited ("Saffron") solely for the purpose of giving a "Fairness Opinion" on "Share Entitlement Report" issued in connection with the proposed "Scheme of Arrangement" (the Scheme) between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors. The fairness opinion report is required to be submitted to the stock exchanges to facilitate the companies under regulations 11, 37 and 94 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities Exchange Board of India ("SEBI") Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017. This report is not to be used, circulated, and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Saffron's written consent.

For the purpose of this assignment, Saffron has relied on the Share Entitlement Report dated September 12, 2018 prepared by Mahesh C. Solanki & Co., Chartered Accountants (Firm Registration No.: 06228C) and signed by CA Rajat Jain (Membership No. 413515) and Share Entitlement Report dated September 17, 2018 prepared by Thadani & Co., Chartered Accountants (Firm Regn No.: 113639W) and signed by CA Suresh J Thadani (Membership No.:33569) for the proposed "Scheme of Arrangement" between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be



construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Share Entitlement Report issued for the proposed Scheme of Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors, and may not be applicable or referred to or quoted in any other context.

Management has been provided with an opportunity to review factual information in our report as part of our standard practice to ensure that factual inaccuracies/omissions/etc. are avoided in our final signed report.

For Saffron Capital Advisors Private Limited




Authorised Signatory

Introduction and Scope of Assignment

1. **Sayaji Hotels Limited ('SHL'):**

Sayaji Hotels Limited ('SHL') was incorporated as Monali Land and Housing Company Private Limited on 5th April 1982 bearing registration number 5131 of 1982-83 with the Registrar of Companies, Ahmedabad under the provisions of the Companies Act, 1956. SHL was renamed as Sayaji Hotels Limited on 10th July 1987. SHL is a listed company bearing CIN: L51100GJ1982PLC005131, primarily engaged in the business of owning, operating & managing hotels under multiple divisions namely: (i) Indore business, (ii) Vadodra business, (iii) Pune business (iv) Hotel management business and management business. The equity shares of SHL are listed and traded on the BSE Limited. The equity shares of SHL is listed on BSE Limited ("BSE"). The registered office of SHL was shifted from Kala Ghoda, Sayaji Gunj, opposite Rajashree Talkies, Vadodra, Gujarat, India, 390005 to (C2/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai, Tamil Nadu, India, 600117.

2. We understand that the management of SHL is contemplating scheme of arrangement whereby it is proposed that Baroda business, Pune business and management business ("Demerged Undertakings") be demerged from SHL into SHPL and SHML (collectively referred to as "Resulting Companies") and SHPL and SHML issue, in consideration of the demerger, its shares to the shareholders of SHL. SHPL and SHML are wholly owned subsidiaries of SHL.
3. We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by SHL to give a fairness opinion on Share Entitlement Report dated September 12, 2018 prepared by Mahesh C. Solanki & Co., Chartered Accountants (Firm Registration No.: 06228C) and signed by CA Rajat Jain (Membership No. 413515) and Share Entitlement Report dated September 17, 2018 prepared by Thadani & Co., Chartered Accountants (Firm Regn No.: 113639W) and signed by CA Suresh J Thadani (Membership No.:33569) for the proposed "Scheme of Arrangement".



Exclusions and Limitations

1. Saffron has been requested by SHL to submit a report by giving a fairness opinion on Share Entitlement Report issued for the proposed Scheme of Arrangement.
2. We have given the Fairness Opinion on the basis of the following information provided to us by the management / collated by us from publicly available sources:
 - a) Share Entitlement Report dated September 12, 2018 prepared by Mahesh C. Solanki & Co., Chartered Accountants (Firm Registration No.: 06228C) and signed by CA Rajat Jain (Membership No. 413515) and Share Entitlement Report dated September 17, 2018 prepared by Thadani & Co., Chartered Accountants (Firm Regn No.: 113639W) and signed by CA Suresh J Thadani (Membership No.:33569) for the proposed "Scheme of Arrangement";
 - b) Audited financials of SHL for the year ended March 31, 2018;
 - c) Such other information and explanations as we have required and which have been provided by the management of SHL.
3. Our valuation exercise and conclusions reached by us are dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.
4. Our report will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us. This report is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.



Recommendation of the Valuer

Extracts of Share Entitlement Report issued by Mahesh C. Solanki & Co., Chartered Accountants:

The Ratio has been arrived on the basis of a relative valuation of the shares of the Companies based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined in the valuation report, the fair equity share exchange ratio for the Proposed Merger of Ahilya into Sayaji as at the Valuation Date would be:

"20 (Twenty) equity shares of Sayaji of Rs. 10/- fully paid up for every 73 (Seventy Three) equity shares of Ahilya of Rs. 10/- each fully paid up."

As per the valuation opinion issued by:

SHL and Resulting Companies have been incorporated with equity shares having face value of INR 10 per share and preference shares having face value of INR 100 per share.

Based on the above, management has proposed the following Share Entitlement Ratio:

For demerger of Pune business:

"For every 23 equity share of face value of INR 10 (Rupees ten only) each held in SHL as on the record date, the equity shareholders of SHL shall be issued 4 equity shares of face value INR 10 (Rupees ten only) each credited as fully paid-up in SHPL."

"For every 125000 preference share of face value of INR 100 (Rupees hundred only) each held in SHL as on the record date, the preference shareholders of SHL shall be issued 1 preference share of face value INR 100 (Rupees hundred only) each credited as fully paid-up in SHPL."

For demerger of hotel management business:

"For every 23 equity share of face value of INR 10 (Rupees ten only) each held in SHL as on the record date, the equity shareholders of SHL shall be issued 4 equity shares of face value INR 10 (Rupees ten only) each credited as fully paid-up in SHML."

"For every 125000 preference share of face value of INR 100 (Rupees hundred only) each held in SHL as on the record date, the preference shareholders of SHL shall be issued 1 preference share of face value INR 100 (Rupees hundred only) each credited as fully paid-up in SHML."

For merger of Sayaji Housekeeping services Limited into SHML:

The shareholding of ultimate beneficial owners of the 100% subsidiary company i.e. Sayaji Housekeeping Services Limited is a mirror image of the shareholding of the proposed demerged



company i.e. Sayaji Hotels Limited. Hence there is no separate valuation report required for the proposed merger of these two entities. As per SEBI circular dated March 10, 2017, valuation in connection with this merger is not required.

Consequent to this demerger, the economic beneficial interest of the shareholders of SHL shall remain same. In the light of above, a fair valuation of equity shares of SHL or Resulting companies have not been carried out.

Extracts of Share Entitlement Report issued by Thadani & Co., Chartered Accountants:

Although the equity shares of Sayaji are listed, they are infrequently traded in. Consequently we have given a lower weightage to the value under the MP method. Between the CCM method and the DCF method, considering the fact that the value under the CCM method is representative of market expectations and parameters, we have assigned a higher weightage to the value under the CCM method and a lower weightage to the value under the DCF method.

On the other hand, as mentioned earlier we have given full weightage to the value under the NAV method.

In the light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove referred to earlier in this report, in our opinion the fair equity share exchange ratio for the Proposed Merger of Ahilya into Sayaji as at the Valuation Date would be:

- 20 (Twenty) equity shares of Sayaji of Rs. 10/- fully paid up for every 73 (Seventy Three) equity shares of Ahilya of Rs. 10/- each fully paid up.

Conclusion and Opinion on Share Entitlement Report

We have reviewed the Share Entitlement Report and the valuation opinion, and based on the information, material data made available to us, to best of our knowledge and belief, the Share Entitlement Report dated September 12, 2018 prepared by Mahesh C. Solanki & Co., Chartered Accountants (Firm Registration No.: 06228C) and signed by CA Rajat Jain (Membership No. 413515) and Share Entitlement Report dated September 17, 2018 prepared by Thadani & Co., Chartered Accountants (Firm Regn No.: 113639W) and signed by CA Suresh J Thadani (Membership No.:33569) for the proposed "Scheme of Arrangement" is **Fair and Reasonable**.





DCS/AMAL/BA/R37/1394/2018-19

January 25, 2019

The Company Secretary,
SAYAJI HOTELS LTD.
F-4 C2, Sivavel Apartment, 2 Alagappa Nagar, Zamin Pallavaram,
Chennai, Tamil Nadu, 600117

Sir,

Sub: Observation letter regarding the Draft Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors

We are in receipt of Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated January 25, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

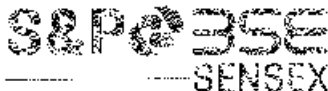
- "SHL to make additional disclosures in the scheme under the heading "action taken by SEBI/RBI" disclosing action taken against their promoters by SEBI. Company to ensure that aforesaid is disclosed in the scheme under the heading "action taken by SEBI/RBI" and the same is brought to the notice of shareholders and Hon'ble NCLT."
- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2772 1234/33 | E: corp.off@mseindia.com | www.bseindia.com
Corporate Identity Number : U67190MH2005PLC155188

(2)

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



Nishkumar Pujari
Senior Manager



Complaints Report:

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	N.A.	N.A.	N.A.

For SAYAJI HOTELS LIMITED


AMIT SARRAF
COMPANY SECRETARY

Date : 22.11.2018
Place : Indore



Report explaining the effect of the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors ('the Scheme') on Equity Shareholders (Promoter and Non-Promoter Shareholders), Key Managerial Personnel, Directors, Depositors, Creditors, Debenture holders, Deposit trustee, Debenture trustee and Employees of the Company.

1. Effect of the Scheme on equity shareholders (promoters and non-promoters) of the Company:

The Scheme does not have prejudicial effect on the equity shareholders (promoter and non-promoter shareholders) of the Company.

Sayaji Hotels Limited (Transferee Company) will issue and allot 20 fully paid up equity share of INR 10/- each for every 73 fully paid up equity share of INR 10 /- each held in the Ahilya Hotels Limited (Transferor Company) on the basis of the Independent valuation report obtained from Thadari & Company, Chartered Accountant dated 17.09.2018.

2. Effect of the Scheme on Key Managerial Personnel ('KMPs') and directors of the Company:

The Scheme does not have a prejudicial effect on the key managerial personnel and directors of the Company as their rights are not sought to be modified in any manner.

3. Effect of the Scheme on depositors, creditors, debenture holders, deposit trustee, debenture trustee and employees of the Company

The Scheme does not have a prejudicial effect on the creditors and employees of the Company as their rights are not sought to be modified in any manner.

There are no depositors, debenture holders, deposit trustee and debenture trustees of the Company. Therefore, there is no implications on them.

FOR SAYAJI HOTELS LIMITED

**RAOUF RAZAK DHANANI
MANAGING DIRECTOR
DIN-00174654**



SAYAJI HOTELS (PUNE) LIMITED

Registered Office-(C2/E1), in Siva Vel Apartment, No. 2 Alagappa Nagar, Zamin Pallavaram, Chennai Tamil Nadu-600117, CIN- CIN-L35204TN2018PLC122599 Phone No.-044-29871174, Email Id-cs@sayajigroup.com

Report explaining the effect of the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors ('the Scheme') on Equity Shareholders (Promoter and Non-Promoter Shareholders), Key Managerial Personnel, Directors, Depositors, Creditors, Debenture holders, Deposit trustee, Debenture trustee and Employees of the Company

1. Effect of the Scheme on equity shareholders (promoters and non-promoters) of the Company:

The Scheme does not have prejudicial effect on the equity shareholders (promoter and non-promoter shareholders) of the Company.

Sayaji Hotels (Pune) Limited (Resulting Company 1) will issue and allot 4 fully paid up equity share of INR 10/- each for every 23 fully paid up equity share of INR 10/- each held in the Sayaji Hotels Limited (Demerged Company) and the Resulting Company 1 will also issue and allot 1 fully paid up preference share of INR. 100/- each for every 125000 fully paid up preference share of INR 100 /- each held in the Demerged Company on the basis of the Share Entitlement Report obtained from Mahesh C. Solanki & Company, Chartered Accountant dated 12.09.2018.

2. Effect of the Scheme on Key Managerial Personnel ('KMPs') and directors of the Company:

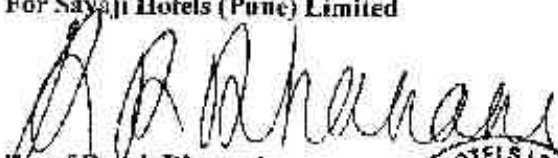
The Scheme does not have a prejudicial effect on the key managerial personnel and directors of the Company as their rights are not sought to be modified in any manner.

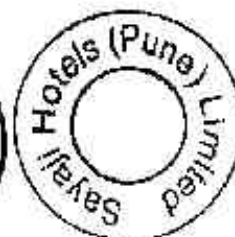
3. Effect of the Scheme on depositors, creditors, debenture holders, deposit trustee, debenture trustee and employees of the Company

The Scheme does not have a prejudicial effect on the creditors and employees of the Company as their rights are not sought to be modified in any manner.

There are no depositors, debenture holders, deposit trustee and debenture trustees of the Company. Therefore, there are no implications on them.

For Sayaji Hotels (Pune) Limited


Raouf Razak Dhanani
Director
DIN-00174654



SAYAJI HOTELS MANAGEMENT LIMITED

Registered Office-(C2/P1), In Siva Vel Apartment, No. 2 Alagappa Nagar, ZaminPulkevaram, Chennai Tamil Nadu- 600117, CIN-U75205TN2018PLC122667 Phone No.-044-29871174- E-mail-ld-es@sayajigroup.com

Report explaining the effect of the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Abilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors ('the Scheme') on Equity Shareholders (Promoter and Non-Promoter Shareholders), Key Managerial Personnel, Directors, Depositors, Creditors, Debenture holders, Deposit trustee, Debenture trustee and Employees of the Company

1. Effect of the Scheme on equity shareholders (promoters and non-promoters) of the Company:

The Scheme does not have prejudicial effect on the equity shareholders (promoter and non-promoter shareholders) of the Company.

Sayaji Hotels Management Limited (Resulting Company 2) will issue and allot 4 fully paid up equity share of INR 100/- each for every 23 fully paid up equity share of INR 100/- each held in the Sayaji Hotels Limited (Demerged Company) and the Resulting Company 2 will also issue and allot 1 fully paid up preference share of INR 100/- each for every 125,000 fully paid up preference share of INR 100/- each held in the Demerged Company on the basis of the Share Entitlement Report obtained from Mahesh C. Solanki & Company, Chartered Accountants dated 12.09.2018.

2. Effect of the Scheme on Key Managerial Personnel ('KMPs') and directors of the Company:

The Scheme does not have a prejudicial effect on the key managerial personnel and directors the Company as their rights are not sought to be modified in any manner.

3. Effect of the Scheme on depositors, creditors, debenture holders, deposit trustee, debenture trustee and employees of the Company

The Scheme does not have a prejudicial effect on the creditors and employees of the Company as their rights are not sought to be modified in any manner.

There are no depositors, debenture holders, deposit trustee and debenture trustees of the Company. Therefore, there are no implications on them.

For Sayaji Hotels Management Limited


Anand Raza Dhanani
Director
DIN-00174654



SAYAJI HOUSEKEEPING SERVICES LIMITED

Regd. Office: Fl C2 Sivvel Apartment 2 Marappa Nagar, Zamin Pallavaram, Chennai TN 600117 IN
Phone : 044-29871174 Email : usi@sayajigroup.com CIN: U74900TN2016PLC124334

Report explaining the effect of the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors ('the Scheme') on Equity Shareholders (Promoter and Non-Promoter Shareholders), Key Managerial Personnel, Directors, Depositors, Creditors, Debenture holders, Deposit trustee, Debenture trustee and Employees of the Company

1. Effect of the Scheme on equity shareholders (promoters and non-promoters) of the Company:

The Scheme does not have prejudicial effect on the equity shareholders (promoter and non promoter shareholders) of the Company.

Upon the Scheme becoming effective, no shares of Sayaji Hotels Management Limited (Transferee Company 2) shall be allotted in lieu or exchange of the holding in Sayaji Housekeeping Services Limited (Transferor Company 2) and the whole of the investment of the Transferee Company 2 in the share capital of the Transferor Company 2 shall stand cancelled in the books of Transferee Company 2

2. Effect of the Scheme on Key Managerial Personnel ('KMPs') and directors of the Company:

The Scheme does not have a prejudicial effect on the key managerial personnel and directors the Company as their rights are not sought to be modified in any manner.


3. Effect of the Scheme on depositors, creditors, debenture holders, deposit trustee, debenture trustee and employees of the Company

The Scheme does not have a prejudicial effect on the creditors and employees of the Company as their rights are not sought to be modified in any manner.

There are no depositors, debenture holders, deposit trustee and debenture trustees of the Company. Therefore, there are no implications on them.

//CERTIFIED TRUE COPY//

For Sayaji Housekeeping Services Limited


Raouf Razak Dhunani
Director
DIN-00174654



ABILYA HOTELS LIMITED

Registered Office-F1 C2, Siva Vel Apartment, No. 2 Alagappa Nagar, Zamin Pallavaram, Chennai Tamil Nadu-600117, CIN-U3551011K2000PLC124353 Phone No -044-29871174, Email -us@sayajigroup.com

Report explaining the effect of the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Abilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective shareholders and creditors ('the Scheme') on Equity Shareholders (Promoter and Non-Promoter Shareholders), Key Managerial Personnel, Directors, Depositors, Creditors, Debenture holders, Deposit trustee, Debenture trustee and Employees of the Company

1. Effect of the Scheme on equity shareholders (promoters and non-promoters) of the Company:

The Scheme does not have prejudicial effect on the equity shareholders (promoter and non-promoter shareholders) of the Company.

Sayaji Hotels Limited (Transferee Company) will issue and allot 20 fully paid up equity share of INR 10/- each for every 73 fully paid up equity share of INR 10/- each held in the Abilya Hotels Limited (Transferor Company) on the basis of the Independent valuation report obtained from Thadani & Company, Chartered Accountant dated 17.09.2018.

2. Effect of the Scheme on Key Managerial Personnel ('KMPs') and directors of the Company:

The Scheme does not have a prejudicial effect on the key managerial personnel and directors the Company as their rights are not sought to be modified in any manner.

3. Effect of the Scheme on depositors, creditors, debenture holders, deposit trustee, debenture trustee and employees of the Company

The Scheme does not have a prejudicial effect on the creditors and employees of the Company as their rights are not sought to be modified in any manner.

There are no depositors, debenture holders, deposit trustee and debenture trustees of the Company. Therefore, there is no implications on them.

For Abilya Hotels Limited



Ramesh Ramesh Dhanani
Director
DIN - 00174654



SAYAJI HOTELS LIMITED

(CIN: L51100TN1982PLC124332)

Registered office : F1 C2, Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram,
Chennai – 600117, Tamil Nadu

Tel : 044-29871174

Email : cs@sayajigroup.com **Website :** www.sayajihotels.com

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI**

FORM NO.CAA.2 (Pursuant to Section 230(3) and Rule 6)

Original Application No. CAs/ 565 to 569/CAA/2019

In the matter of The Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective Shareholders and Creditors

Sayaji Hotels Limited

a Company incorporated under the Indian Companies

Act, 1956, having its Registered Office at

F1 C2, Sivavel Apartment, 2, Alagappa Nagar, ZaminPallavaram

Chennai – 600 117, Tamil Nadu

....Applicant / Transferee Company 1/ Demerged Company

PROXY FORM

Name of the Unsecured Creditor	
Address	
E-mail ID	

I/We, being Unsecured Creditor of Sayaji Hotels Limited, hereby appoint,

1. Name :

Address :

Email ID :

Signature : or falling him/ her;

2. Name :

Address :

Email ID :

Signature : or falling him/ her;

3. Name :
Address :
Email ID :

Signature : or falling him/ her;

as my/ our proxy to attend and vote (on the poll) for me/ us and on my/ our behalf at the National Company Law Tribunal convened Meeting of the Equity Shareholders of the Applicant Company to be held on **Wednesday, August 14th at 12:00 Noon at Flat in Block No. C-3, Door No. F1 (C3/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, ZaminPallavaram, Chennai – 600 117 Tamil Nadu** for the purpose of considering and if thought fit, approving, with or without modification(s), the Composite Scheme of Amalgamation and Arrangement between Sayaji Hotels Limited and Ahilya Hotels Limited and Sayaji Housekeeping Services Limited and Sayaji Hotels (Pune) Limited and Sayaji Hotels Management Limited and their respective Shareholders and Creditors at such Meeting and any adjournment or adjournments thereof and to vote, for me/us and in my/our name(s) (here, if for, insert 'FOR', or if against, insert 'AGAINST') in respect of the said Scheme of Amalgamation and Arrangement as my/our proxy.

Signed this day of 2019

Signature of Shareholder(s)

Please affix
Revenue
Stamp of
INR 1/-

Signature of Proxy Holder(s)

Notes :

1. The form of Proxy must be deposited at the registered office of Sayaji Hotels Limited at F1 C2 Sivavel Apartment 2 Alagappa Nagar, Zamin Pallavaram Chennai Chennai Tamil Nadu – 600117, India, not later than 48 (Forty Eight) hours before the scheduled time of the commencement of the said Meeting.
2. If you are a body corporate, as the Unsecured Creditors, a copy of the resolution of the Board of Directors or the Governing Body authorizing such a person to act as its representative/proxy at the Meeting and certified to be a true copy by a director, the manager, the secretary or any other authorised officer of such Body Corporate should be lodged with the Applicant Company at its registered office not later the 48 (Forty Eight) hours before the Meeting.
3. All alterations made in the form of proxy should be initialed.
4. Please affix appropriate revenue stamp before putting signatures.
5. In case of multiple proxies, the proxy later in time shall be accepted.
6. Proxy need not be Unsecured Creditor of the Sayaji Hotels Limited
7. No person shall be appointed as Proxy who is a minor.

SAYAJI HOTELS LIMITED

(CIN: L51100TN1982PLC124332)

Registered office : F1 C2, Sivavel Apartment, 2, Alagappa Nagar, Zamin Pallavaram,
Chennai – 600117, Tamil Nadu

Tel : 044-29871174

Email : cs@sayajigroup.com **Website :** www.sayajihotels.com

ATTEDANCE SLIP

MEETING OF THE UNSECURED CREDITORS ON WEDNESDAY, AUGUST 14th AT 12:00 NOON

I/We hereby record my/our presence at the Meeting of Unsecured Creditors of Sayaji Hotels Limited convened pursuant to order of Hon'ble National Company Law Tribunal dated July 4th, 2019 at Flat in Block No. C-3, Door No. F1 (C3/F1), in Siva Vel Apartment, No. 2, Alagappa Nagar, Zamin Pallavaram, Chennai – 600 117 Tamil Nadu, on August 14th, 2019, at 12:00 Noon

Name and Address of the Unsecured Creditor	
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Signature of the Attending Unsecured Creditor : _____

Signature of Proxy : _____

Notes:

1. Unsecured Creditor/ Proxy Holder/Authorized Representative wishing to attend the Meeting should bring the attendance slip to the Meeting and hand over at the entrance duly signed.
2. Unsecured Creditor/ Proxy Holder/Authorized Representative desiring to attend the Meeting should bring his/her copy of Notice for reference at the Meeting.