ANNEXURE – 2

COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

BETWEEN

SAYAJI HOTELS LIMITED

AND

AHILYA HOTELS LIMITED

AND

SAYAJI HOTELS (VADODARA) 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 (Vadodara) Limited and Sayaji Hotels (Pune) Limited collectively referred to as the Resulting

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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 Hotels Management Limited into Sayaji Hotels 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) 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 and managing hotels under multiple divisions namely: (i) Indore business, (ii) Baroda business, (iii) Pune business (iv) 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

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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.

(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 election 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.

b) 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 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, Tamil Nadu, India, 600117. The main object of AHL, as per the Memorandum of Association is as follows:

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(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 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) Sayaji Hotels (Vadodara) Limited ('SHVL') is an unlisted public company which was incorporated as Sayaji Hotels (Vadodara) Limited on 10th May 2018 bearing CIN: U55209TN2018PLC122598 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. SHVL has filed application with Registrar of Companies to rename the company as "Sayaji Hotels (Indore) Limited". The Application is pending for approval from the respective Registrar of Companies. On receipt of approval, all references to "Sayaji Hotels (Vadodara) Limited" or "SHVL" in the Scheme shall be deemed to be reference to "Sayaji Hotels (Indore) Limited" without any further act or deed. The main object of SHVL, 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

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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 (Pune) Limited ('SHPL') is an unlisted public company which 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:

> 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.

f) Sayaji Hotels Management Limited ('SHML') is an unlisted public company, which 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,

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No. 2, Alagappa 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 of SHL into SHVL; Demerger of Demerged Undertaking 2 and Demerged Undertaking 3 of SHL into SHPL;

iii. Reduction and cancellation of share capital of the Resulting Companies;

iv. Amalgamation of SHML into SHL.

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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 ('Indore business') into SHVL, Demerged Undertaking 2 ('Baroda business') and Demerged Undertaking 3 ('Pune business') into SHPL.

Upon amalgamation and segregation of identified business undertakings, SHL, AHL, SHVL, 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 SHL, AHL, SHVL, 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 and managing hotels under multiple divisions. 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

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any risk or overlap of one business over the other. Demerger of Indore business to SHVL and Baroda business and Pune business to SHPL 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.
- 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

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shareholders, creditors, general public at large 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 cancellation of share capital of the Resulting Companies and matters incidental thereto

PART D: Amalgamation of SHML into SHL and matters incidental thereto

PART E: General Terms and Conditions applicable to the Scheme

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.

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1.2 **"Amalgamation"** shall mean the transfer and vesting of the undertaking of the Transferor Company 1 and Transferor Company 2 in Transferee Company in accordance with the Scheme by way of merger by absorption.

1.3 **"Appointed Date for Amalgamation"** means 1st April 2022 or such other date as may be fixed or approved by the Competent Authority.

1.4 **"Appointed Date for Demerger"** means 1st April 2022 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 SHL, AHL, SHVL, 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" 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 Indore business, as a going concern as on the Appointed Date for Demerger which includes and consists of [a] 5-Star hotel at Vijay Nagar, Indore consisting of centrally air-conditioned rooms, restaurants, banquet halls, banquet gardens, plaza shops, arcade shops and club with sports facilities built on land taken on lease from Indore Development Authority; and [b] Amber Convention Centre at Bypass Road, Nipania, Indore consisting of centrally air-conditioned hall with partition, banquet garden & rooms built on leasehold land. The same includes all assets, contracts, identified investments, rights, approvals, licenses, powers, debts

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outstanding, liabilities, duties, obligations, employees pertaining to the Indore 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 Indore 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 Indore 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 Indore 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 situated 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 Indore 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 Indore business;

e) all the credits for taxes such as sales tax, luxury tax, service tax, CENVAT, GST, credits under Income-tax Act, 1961 that pertain to the Indore business. In case, there is any credit or GST, CENVAT, income tax, tax deducted at source, refunds etc. pertaining to Indore 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

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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 Indore business;

g) all debts, liabilities, duties, taxes and obligations of SHL pertaining to the Indore business;

h) all employees of SHL employed/engaged in the Indore 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 Indore 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 SHVL.

1.9 **"Demerged Undertaking 2"** means the entire Baroda business, as a going concern as on the Appointed Date for Demerger which includes and consists of 3 star hotel (operated under the brand "Effotel") located at Kala Ghoda, Sayajiganj, Vadodara with centrally air conditioned rooms and restaurants built on freehold land. The same includes all assets, contracts, identified investments, rights, approvals, licenses, powers, debts outstanding, liabilities, duties, obligations, employees pertaining to the Baroda business including, but not in any way limited to, the following:

j) 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,

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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;

k) 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;

l) 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 Baroda business;

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m) 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 situated 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;

n) all the credits for taxes such as sales tax, luxury 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;

o) 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;

p) all debts, liabilities, duties, taxes and obligations of SHL pertaining to the Baroda business;

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q) all employees of SHL employed/engaged in the Baroda business as on the Effective Date; and

r) 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 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 Pune business, as a going concern as on the Appointed Date for Demerger which includes and 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 outstanding, 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

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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 situated belonging to or

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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, luxury 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.

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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 SHPL.

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 C 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, Transferor Company 2 and Demerged Company to whom shares of the Transferee Company and Resulting Companies respectively shall be allotted pursuant to the Amalgamation and Demerger under this Scheme.

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1.16 **"Remaining Business"** with respect to SHL means business, employees, all assets and liabilities of SHL including all brands and intangibles including "Sayaji" brand and AHL and SHML other than Demerged Undertakings.

1.17 **"Resulting Company 1"** or **"SHVL"** means Sayaji Hotels (Vadodara) 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 **"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.

1.19 **"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 **"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

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Apartment, No. 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 SHL as at 30th November, 2021 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**

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There has been no change in the share capital of SHL post 30th November, 2021.

2.2 The share capital of AHL as at 30th November, 2021 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 November, 2021.

2.3 The share capital of SHVL as at 30th November, 2021 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 SHVL post 30th November, 2021.

2.4 The share capital of the SHPL as at 30th November 2021 is as under:

Particulars	Amount in INR

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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 November 2021.

2.5 The share capital of the SHML as at 30th November 2021 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 SHML post 30th November 2021.

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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

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

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 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.

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 by virtue of the Scheme and Transferee Company 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, 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, without any further act or deed done or being required to be done by Transferor Company 1 and/ or Transferee Company.

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Transferee Company 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 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 to the end and intent that the property therein passes to Transferee Company 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 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 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 and the rights of Transferor Company 1 will vest with Transferee Company 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.

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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 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, so as to become the debts, liabilities, duties and obligations of Transferee Company, and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which 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 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 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 and to the extent they are outstanding on the Effective Date.

4.9 The Transferee Company may at any time after the coming into effect of the Scheme in accordance with the provisions of the Scheme, if so required, under any law or otherwise, execute deeds of confirmation, in 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

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provisions. Transferee Company 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 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 as effectively as if Transferee Company had paid the same and shall be deemed to be the rights/claims of Transferee Company. 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 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 without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favor of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company

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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 1, is concerned, the same shall vest with and be available to Transferee Company 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 as if it is the duly constituted attorney of that Transferor Company 1.

4.12 Transferee Company, 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 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 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 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, holding fully paid up equity shares in Transferor

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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:

"274 (Two Hundred Seventy Four) fully paid up equity share of INR 10 (INR Ten only) each of SHL shall be issued and allotted for every 1,000 (One Thousand) 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 exchange 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 to the equity shareholders of Transferor Company 1 shall be subject to the Scheme, the memorandum and articles of association of Transferee Company and applicable laws and shall rank pari passu in all respects with the existing equity shares of Transferee Company.

5.4 No shares shall be allotted in respect of fractional entitlements, by Transferee Company to which the members of Transferor Company 1 may be entitled on allotment of shares. The Board of Transferee Company shall, at its absolute discretion, decide to take any or a combination of the following actions:

5.5 (i) consolidate all such fractional entitlements and thereupon allot equity shares in lieu thereof to a trust authorized by the Board of Transferee Company 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 so allotted on the Stock Exchanges at such price, within a period of 90 days

from the date of allotment of shares, as per the draft scheme submitted to SEBI, 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 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 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

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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, 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.

5.9 Approval of this Scheme by the equity shareholders of Transferee Company 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 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 to the members of Transferor Company 1 will be listed and/ or admitted to trading on the Stock Exchanges on which shares of Transferee Company are listed on the Effective Date. Transferee Company 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 to comply with the formalities of the said Stock Exchange. The equity shares of Transferee Company 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 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

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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. Upon the Scheme becoming effective, the whole of the investment of the Transferor Company 1 in the share capital of the Transferee Company shall stand cancelled in the books of Transferor Company 1. Upon the coming into effect of this Scheme and a consequence of the amalgamation, the share certificates, if any, and/ or the shares in electronic form representing the shares held by the Transferor Company 1 in Transferee Company 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 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 shall be adjusted against the securities premium account and balance if any, to be adjusted against the general reserves of the Transferee Company.

6.4 The reduction of share capital of Transferee Company, 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.

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

7 ACCOUNTING TREATMENT

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Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company 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 on such date, and the Transferee Company 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 for all purposes whatsoever, to the end and intent that all rights, duties, powers and obligations of the Transferor Company 1 in relation to such Scheme shall become those of the Transferee Company. 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 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

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9.1 Upon the Scheme becoming effective, the Transferee Company 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 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.

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, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company 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 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, 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. The Transferor Company 1 hereby undertakes to hold its said assets and liabilities with utmost prudence until the Scheme comes into effect.

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 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.

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

Transferor 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.

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

13 LEGAL PROCEEDINGS

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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, 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 Transferor 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 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.

13.3 Transferee Company 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 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

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having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company 1, the Transferee Company had been a party thereto.

The Transferee Company 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 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 licenses, 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 without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme. 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 on the same terms and conditions.

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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 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.

PART C

TRANSFER OF DEMERGED UNDERTAKING 1 FROM DEMERGED COMPANY TO SHVL ;

AND

TRANSFER OF DEMERGED UNDERTAKING 2 AND DEMERGED UNDERTAKING 3 FROM DEMERGED COMPANY TO SHPL

AND

THEIR VESTING IN RESPECTIVE RESULTING COMPANIES, REDUCTION AND CANCELLATION OF SHARE CAPITAL OF THE RESULTING COMPANIES 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.

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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

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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

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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, 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,

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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.

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

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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 relatable to

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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

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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.

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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 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

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 equity shares of the Resulting Companies held by SHL to the extent mentioned below shall stand reduced and cancelled.

i. SHVL: INR 500,000 divided into 50,000 of INR 10 each

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

19.1 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.

19.2 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.

19.3 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.

19.4 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.

19.5 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.

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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

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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 relatable 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.

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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 undertaking 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 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 Undertaking 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.

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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 FROM SHL AND ITS VESTING IN SHVL FOR CONSIDERATION AND MATTERS INCIDENTAL THERETO

27.1 Upon this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 1 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 SHVL 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 SHVL shall be issued and allotted for every 1,25,000 (One lac Twenty Five Thousands) 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

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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 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 trust 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

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Resulting Company 1 so allotted on the Stock Exchanges at such price, within a period of 90 days from the date of allotment of shares, as per the draft scheme submitted to SEBI, 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.

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

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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 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.

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28 CONSIDERATION FOR TRANSFER OF DEMERGED UNDERTAKING 2 AND DEMERGED UNDERTAKING 3 FROM SHL AND ITS VESTING IN SHPL FOR CONSIDERATION AND MATTERS INCIDENTAL THERETO

28.1 Upon this Scheme becoming effective and in consideration of vesting of the Demerged Undertaking 2 and 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 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 1,25,000 (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

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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 equity existing 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 trust 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 such price, within a period of 90 days from the date of allotment of shares, as per the draft scheme submitted to SEBI, and shall distribute the net sale proceeds, subject to tax deductions and other expenses as applicable, to the members of Demerged Company in

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proportion to their respective fractional entitlements. 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.

28.7 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.

28.8 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.

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28.9 The shares to be issued by Resulting Company 2, pursuant to Clause 28.1 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 2.

28.10 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.

The equity shares to be issued by Resulting Company 2 to the members of Demerged Company pursuant to Clause 28.1 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 2 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 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 SHML INTO SHL AND MATTERS INCIDENTAL THERETO

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

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

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 by virtue of this Scheme to the end and intent that the

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charges shall not extend or deemed to extend to any assets of the Transferee Company.

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 by virtue of the Scheme and Transferee Company 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, 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, without any further act or deed done or being required to be done by Transferor Company 2 and/ or Transferee Company. Transferee Company 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 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 to the end and intent that the property therein passes to Transferee Company on such manual delivery or

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endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of Transferee Company 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 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 and the rights of Transferor Company 2 will vest with Transferee Company 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.

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, so as to become the debts, liabilities, duties and obligations of Transferee Company, and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which 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 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

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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 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 and to the extent they are outstanding on the Effective Date.

31.9 The Transferee Company may at any time after the coming into effect of the Scheme in accordance with the provisions of the Scheme, if so required, under any law or otherwise, execute deeds of confirmation, in 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 provisions. Transferee Company 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 as effectively as if Transferee Company had paid the same and shall be deemed to be the rights/claims of

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Transferee Company. 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 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 without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favor of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme. 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 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 as if it is the duly constituted attorney of that Transferor Company 2.

31.12 Transferee Company, 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,

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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 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 shall file appropriate applications/ documents with relevant authorities concerned for information and record purpose.

32 CONSIDERATION FOR THE PROPOSED AMALGAMATION

The entire issued, subscribed and paid-up Equity Share Capital of the Transferor Company 2 is held by the Transferee Company. Upon the Scheme becoming effective, no shares of Transferee Company shall be allotted in lieu or exchange of the holding in Transferor Company 2 and, the whole of the investment of the Transferee Company in the share capital of the Transferor Company 2 shall stand cancelled in the books of Transferee Company. 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 in Transferor Company 2 shall be deemed to be cancelled without any further act or deed for cancellation thereof by Transferee Company, and Transferor Company 2 shall cease to be in existence accordingly.

33 ACCOUNTING TREATMENT

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified

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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 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 STAFF AND EMPLOYEES OF TRANSFEROR COMPANY 2

34.1 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 on such date, and the Transferee Company 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.

34.2 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 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. 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 from the date of employment as reflected in the records of the Transferor Company 2.

35 CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW

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35.1 Upon the Scheme becoming effective, the Transferee Company 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.

35.2 The Transferee Company 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.

35.3 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, as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the Goods and Services Tax payable by it.

35.4 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 in accordance with the provisions of the Income Tax Act, 1961.

35.5 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

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Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company, which power shall be exercised reasonably in the best interests of the companies concerned.

36 DISSOLUTION OF THE TRANSFEROR COMPANY 2

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

37 TRANSACTIONS BETWEEN APPOINTED DATE FOR AMALGAMATION AND EFFECTIVE DATE

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

37.1 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. The Transferor Company 2 hereby undertakes to hold its said assets and liabilities with utmost prudence until the Scheme comes into effect.

37.2 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 alienate charge, mortgage, encumber or otherwise deal with or dispose of the Transferor Company 2 or part thereof.

37.3 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.

37.4 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 Transferor Company 2 pertaining to the business of the Transferor Company 2

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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.

37.5 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 or pursuant to any pre-existing obligation undertaken by the Transferor Company 2 as the case may be, prior to the Effective Date.

37.6 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 or except as may be expressly permitted.

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

39 LEGAL PROCEEDINGS

39.1 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

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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, 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 Transferor Company 2 in relation to business of Transferor Company 2 as if this Scheme had not been made.

39.2 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 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.

39.3 Transferee Company 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 to the exclusion of Transferor Company 2.

40 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 , as the case may be, and may be enforced

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by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company had been a party thereto. The Transferee Company 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 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.

41 STATUTORY LICENSES, PERMISSIONS, APPROVALS

With effect from the Appointed Date for Amalgamation and upon the Scheme becoming effective, all statutory licenses, 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 without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme. 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 2 are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

42 SAVING OF CONCLUDED TRANSACTIONS

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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 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.

PART E

GENERAL TERMS AND CONDITIONS

43 AUTHORIZED SHARE CAPITAL OF TRANSFEREE COMPANY PURSUANT TO AMALGAMATION OF TRANSFEROR COMPANY 1 INTO TRANSFEREE COMPANY

43.1 Upon the Scheme becoming effective and post amalgamation of Transferor Company 1 with Transferee Company, the authorized share capital of the Transferee Company shall stand enhanced to INR 500,000,000 (INR Fifty Crores only) divided into 40,000,000 (Four Crore) equity shares of face value of INR 10 (INR Ten) each and 1,000,000 (Ten lakhs) 10% cumulative redeemable preference shares of INR 100 (INR Hundred only) each without any further act, instrument or deed by the Transferee Company, 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 Transferor Company 1 on the said authorized equity share capital so transferred, the benefit of which shall accordingly stand transferred in favour of the Transferee Company pursuant to Scheme becoming effective.

43.2 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 Transferee Company and accordingly, Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorized share capital.

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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 and preference shares to the equity shareholders and preference shareholders of the Demerged Company respectively, as on the Record Date in terms of the Scheme. To accommodate such issue and allotment of equity shares and preference shares by the Resulting Company 1, which would result in increase in its paid up share capital, the authorized 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.

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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 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 2 and 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 and preference shares to the equity shareholders and preference shareholders of the Demerged Company respectively, as on the Record Date in terms of the Scheme. To accommodate

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such issue and allotment of equity shares and preference shares by the Resulting Company 2, which would result in increase in its paid up share capital, the authorized 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 The authorized equity share capital of the Resulting Company 2 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 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 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.

45.3 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:

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"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 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 TRANSFEREE COMPANY PURSUANT TO AMALGAMATION OF TRANSFEROR COMPANY 2 INTO TRANSFEREE COMPANY

46.1 Upon the Scheme becoming effective and post amalgamation of Transferor Company 2 with Transferee Company, the authorized share capital of the Transferee Company shall stand enhanced by INR 1,000,000 (INR Ten Lakhs only) divided into 50,000 (Fifty Thousand) equity shares of face value of INR 10 (INR Ten) each and 5,000 (Five Thousand) 10% cumulative redeemable preference shares of INR 100 (INR Hundred only) each without any further act, instrument or deed by the Transferee Company, 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 Transferor Company 2 on the said authorized equity share capital so transferred, the benefit of which shall accordingly stand transferred in favour of the Transferee Company pursuant to Scheme becoming effective.

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46.2 Filing fees and stamp duty, if any, paid by the Transferor Company 2 on its authorized share capital, shall be deemed to have been so paid by Transferee Company and accordingly, Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorized share capital.

46.3 Upon the Scheme becoming effective and post amalgamation of Transferor Company 1 with Transferee Company and demerger of Demerged Undertakings to Resulting Companies and amalgamation of Transferor Company 2 with Transferee Company, the authorized share capital of Transferee Company shall stand revised.

46.4 'Clause V' of the Memorandum of Association of Transferee Company 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 321,000,000 (INR Thirty Two Crores and Ten Lakhs only) divided into 22,050,000 (Two Crores Twenty Lakhs and Fifty Thousand only) equity shares of the face value of INR 10 (INR Ten only) each and 1,005,000 (Ten Lakhs Five Thousand only) preference shares of INR 100 (INR One Hundred only) each with powers to increase or reduce in accordance with the law".

46.5 The approval of this Scheme by the shareholders of the Transferee Company 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.

47 CONDITIONALITY OF THE SCHEME

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

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47.1 The approval by the respective requisite majorities of the various classes of shareholders and/ or creditors (wherever applicable) of Transferor Companies, Demerged Company, Transferee Company and Resulting Companies as required under the Act or as may be directed by the NCLT.

47.2 The scheme being approved by a shareholder's resolution of the Transferee Company (i.e. SHL) passed by way of e-voting in terms of Para (A)(10)(a) of Part I of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 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 "SEBI Master Circular") and other SEBI guidelines, as may be amended from time to time wherein presently the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

47.3 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

47.4 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.

47.5 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.

47.6 Part B, C and D 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

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part(s) of the Scheme and implement the rest of the Scheme as approved by the NCLT with such modification.

47.7 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.The Boards of

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Transferor Companies, Demerged Company and Resulting Companies are authorised to withdraw the Scheme for sufficient reasons at any time prior to scheme being sanctioned by NCLT.

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, 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.

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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 Mr. Navin Khandelwal, Registered Valuer
Terms, manner and modes of redemption	Preference shares to be redeemed within five years from the date of issue of same
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). Since the nominal value of one preference shares is INR 100 therefore each vote of the preference shareholders for their each preference share will be equal to 10 vote of the equity shares.

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