REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SILVERLINE INVESTMENT AND FINANCE PRIVATE LIMITED AT ITS MEETING HELD ON 5TH MARCH 2024 IN ACCORDANCE WITH THE SECTION 232(2)(C) OF THE COMPANIES ACT 2013 AND THE SECURITIES AND EXCHANGE BOARD OF DINDIOA – MASTER CIRCULAR SEBI/HO/DDHS/POD1/CIR/2023/108 DATED 29TH JULY 2022 UPDATED AS ON 30TH JUNE 2023

1. The Board of Directors ("Board") of Silverline Investment and Finance Private Limited ("Transferor Company" or "Company") considered the proposal involving merger of the Transferor Company with Nspira Management Services Private Limited ("Transferee Company") pursuant to the Scheme of Arrangement between them and their respective shareholders and creditors ("Scheme") under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act 2013 ("Act"), resulting in the transfer and vesting of the assets, liabilities and the entire undertaking of the Transferor Company with the Transferee Company and various other matters consequential to or otherwise integrally connected with the above.

   Words and expressions, used in capitalized form but not defined in this report, shall have the meaning ascribed to them in the Scheme.

2. The Non-Convertible Debentures ("NCDS") issued and allotted by the Transferor Company, are Listed in the wholesale debit market segment of BSE Limited.

3. The Scheme is to be filed with the National Company Law Tribunal having jurisdiction over the Transferor Company and the Transferee Company.

4. The draft of the Scheme was approved by the Board of the Company at its meeting held on 5th March 2024.

5. In terms of Section 232(2)(c) of the Act, a report is required to be adopted by the Board explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any.

   Further, pursuant to the requirements of the Para A(2)(d) of Part I of Annex-A of the Securities and Exchange Board of India's Master Circular: SEBI/HO/DDHS/POD1/CIR/2023/108 dated 29th July 2022 updated as on 30th June 2023 **("SEBI Circular")**, the Board is required to recommend the draft scheme, taking into consideration, inter-alia, the Valuation Report and ensuring that the Scheme is not detrimental to the holders of the NCDs, and also comment on impact of the Scheme on the holders of NCDs, safeguards taken for the protection of the holders of NCDs and exit offer to the dissenting holders of NCDs, if any.

   Accordingly, the Report is being prepared to comply with the requirements of the Act and the SEBI Circular ("Report") and for approval and adoption by the Board.

6. The following documents were placed before the Board at its Meeting held on 5th March 2024:

(a) The Valuation cum Security Exchange Ratio Report dated 5th March 2024 ("Valuation Report") from Ms. Annamreddy Sravanthi, an Independent Registered Valuer (IBBI Regd No. IBBI/RV/05/2019/12377), recommending the fair Security Exchange Ratio;
(b) The Fairness Opinion dated 5th March 2024 ("Fairness Opinion") issued by Akasam Consulting Private Limited, (SEBI Regn. No. MB/INM000011658), an Independent Merchant Banker on the Valuation Report;
(c) The draft certificate provided by M/s. NSVR & ASSOCIATES LLP, Chartered Accountants (ICAI Firm Regd No. 008801S/S200060), the statutory auditors of the Company, certifyingthe payment/repayment capability of the Transferee Company and that the Accounting Treatment under the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act; and
(d) other presentations, documents, reports and information pertaining to the Scheme.

7. Rationale of the Scheme:

7.1. The Board noted that, the proposed merger is beneficial, advantageous, and not prejudicial to the interest of the shareholders, creditors and other stakeholders. The management of the Transferor Company and the Transferee Company believe that, this Scheme shall benefit the respective companies and other stakeholders of respective companies, inter-alia, on account of the following reasons:

a) The Merger will enable the Transferee Company to make full use and benefit from the financial consultancy services being offered by the Transferor Company by providing financial assistance to the students of the educational institutions, to whom the Transferee Company provides management services, including financial assistance with respect to payment of fees by the students for availing education from such educational institutions.
b) The Merger will enable the Transferee Company and the Transferor Company to pool their resources to their common advantage, which in turn will result in a more productive utilization of their resources and help achieve economic advantage, and efficient operation of their businesses, to the benefit of all the stakeholders.
c) The Merger will enable the Transferee Company and the Transferor Company to efficiently manage the cash flow and revenue from the amalgamated businesses, and effectively deploy such revenue for growth opportunities and reduce the cost of operating two businesses independently.
d) The Merger will eliminate duplication of regulatory and procedural compliances and administrative expenses and will enable better utilization of time and recourses.
e) The Merger will enhance the net worth of the amalgamated business and will enable the amalgamated business to capitalize on future growth opportunities and potential.

7.2. There is no adverse effect of Scheme on the directors, key managerial personnel, shareholders, creditors, other security holders and employees of Transferor Company and Transferee Company. However, the Transferor Company upon amalgamation shall stand dissolved. The Scheme would be in the best interest of all stakeholders.

8. Security Exchange Ratio

8.1. For the Scheme, the Valuation cum Security Exchange Ratio Report dated 5th March 2024 ("Valuation Report") from Ms. Annamreddy Sravanthi, an Independent Registered Valuer (IBBI Regd No. IBBI/RV/05/2019/12377), who recommend:

Fair Share Exchange Ratio:

"7 (Seven) fully paid-up equity shares of face value of Rs. 10 each of the Transferee Company for every 100 (Hundred) fully paid-up equity shares of face value of Rs. 10 each held in the Transferor Company. ("fair share exchange ratio")

Non-convertible debenture (NCD) exchange ratio

"1 (One) Non-Convertible Debentures of face value of Rs. 1,00,000/- each of the Transferee Company shall be issued and allotted for every 1 (One) Non-Convertible Debentures of face value of Rs. 1,00,000/- each held in the Transferor Company".

8.2. No special valuation difficulties have been reported by the valuer.

8.3. The Fairness Opinion dated 5th March 2024 ("Fairness Opinion") issued by Akasam Consulting Private Limited, (SEBI Regn. No. MB/INM000011658), an Independent Merchant Banker on the Valuation Report, who have provided that the fair share exchange ratio and Non-convertible debenture (NCD) exchange ratio, for the purpose of the Scheme as per the Valuation Report is fair.

9. Effect of the Scheme on the Promoter/Non-Promoter Shareholders of the Transferor Company

9.1. There is only one class of shareholders that is the equity shareholders. Further the Transferor Company, have only Promoter Shareholders

9.2. Upon coming into effect of the Scheme and in consideration of the aforementioned merger, the Transferee Company shall issue and allot equity shares to the shareholders of the Transferor Company whose names are recorded in the register of members, as a member of the Transferor Company on the Record Date, in terms of the above fair share exchange ratio.

9.3. The equity shares in the Transferee Company to be issued to the Members of the Transferor Company shall be subject to the Scheme, and the Memorandum of Association and the Articles of Association of the Transferee Company and shall rank pari pasu with the existing equity shares of the Transferee Company.

9.4. Upon the Scheme becoming effective, the Transferor Company shall be dissolved without the process of winding up, and the shares held by the shareholders in the Transferor Company shall be deemed to have been cancelled and extinguished.

10. Effect of the Scheme on the Key Managerial Personnel (KMP) of the Transferor Company

10.1. Upon the Scheme becoming effective, all the employees including the Key Managerial Personnel, shall become employees of the Transferee Company, on the same terms and conditions.

11. **Effect of the Scheme on the on the holders of NCDs and safeguards for the protection of the holders of NCDs**

11.1. The Scheme will not have any impact on the holders of NCDs, considering the positive net worth of the Transferee Company post the merger, therefore, they will be able to pay interest and repay the principal amount represented by such NCDs as per terms of Issue. Further, the Scheme does not provide for any alteration in the existing terms and conditions of the NCDs, which could have any impact on the holders of NCDs.

11.2. The Transferor Company and the Transferee Company shall comply with all the SEBI Regulations in relation to protection of NCD holders. Further, the new NCDs to be issued by the Transferee Company in lieu of the NCDs held in the Transferor Company, will be secured. Security cover will be sufficient to discharge the principal amount and the interest thereon at all times

12. **Exit offer to the dissenting holders of NCDs, if any:**

12.1. In terms of the Scheme, the holder(s) of NCDs in the Transferor Company will become the holder(s) of NCDs in the Transferee Company, on the same terms, except in relation to consequential matters towards dissolution of the Transferor Company under the Scheme. Further, the Company has obtained In-principle approval from the NCD Holder for the Scheme. Therefore, Exit offer for the dissenting NCD holders, does not arise.

13. Recommendation of the Board

13.1. The Board discussed and deliberated upon the rationale and expected benefits of the Scheme. In light of the aforementioned and the Scheme, Valuation Report, and other documents presented before the Board, they noted that the proposed amalgamation is beneficial, advantageous and not prejudicial to the interest of the shareholders, creditors and other stakeholders and is not detrimental to the interest of the holders of NCDs.

13.2. The Board recommends the proposed Scheme to be effective from the Appointed Date, after taking into consideration the Valuation Report and abovementioned safeguards for the holder(s) of NCDs and other parameters, to the shareholders and the creditors of the Company (as may be applicable) for its approval and for favourable consideration by the BSE, the SEBI and other appropriate authorities, as may be required.

For and On behalf of the Board of
Silverline Investment and Finance Private Limited

RAMADEVI PONGURU
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Director
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