

DCS/AMAL/JP/R37/3095/2023-24

March 01, 2024

To,

Company Secretary

Yaari Digital Integrated Services Limited	Plot No. 448-451, Udyog Vihar, Phase-V, Gurugram, Haryana, 122016
Dhani Services Limited	1/1E, First Floor, East Patel Nagar, New Delhi, Delhi, 110008
Indiabulls Enterprises Limited	Plot No. 108, IT Park, 5th floor, Udyog Vihar, Phase 1, Gurugram, Haryana, 122016

Dear Sir,

Sub: Observation letter regarding the Scheme of Arrangement by Yaari Digital Integrated Services, Dhani Services Ltd and Indiabulls Enterprises Limited.

We are in receipt of Scheme of Arrangement by Yaari Digital Integrated Services, Dhani Services Ltd and Indiabulls Enterprises Limited filed by Yaari Digital Integrated Services, Dhani Services Ltd and Indiabulls Enterprises Limited as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 94(2) of SEBI LODR Regulations 2015 along with SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 (SEBI Circular) and Regulation 94A(2) SEBI (LODR) Regulations, 2015; SEBI vide its letter dated March 1, 2024 has inter alia given the following comment(s) on the draft scheme of Arrangement:

1. "The proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015".
2. "The Companies shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
3. "Companies shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
4. "The entities involved should ensure that in the proposed scheme it shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s), except those mandated by the regulators/ authorities/ tribunal"
5. "Company shall ensure compliance with SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular dated June 20, 2023 and ensure that all the liabilities of Transferor/Amalgamating Companies are transferred to the Transferee Company/Amalgamated Company and liabilities of Demerged Company are transferred to the Resulting Company."

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6. “Company is advised that the information pertaining to all the unlisted companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of the schedule VI of the ICDR Regulations 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.”
7. “Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.”
8. “Company shall ensure to disclose the following, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter.
 - Need for the demerger and merger, Rationale of the scheme, Synergies of business of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme
 - Reasons for merging entities engaged in different businesses into Yaari.
 - Reasons for transferring JEL as a separate part of the scheme.
 - Details of agreement between ILHMPL and wholly owned subsidiary of DSL along with rationale for demerging the undertaking into IPL and future prospects of IPL.
 - Reasons for issuing shares to shareholders of India Land Hotels Mumbai Pvt Ltd by Yaari and details pertaining to compliance of the scheme with Section 2(19AA) of Income Tax Act, 1961, as stated in clause 6.2 of Draft Scheme.
 - Value of Assets and liabilities of and Listed Amalgamating Companies, Unlisted Amalgamating Companies and Demerged Undertaking that are being transferred to Yaari and IPL along with Post- Merger Balance sheet of Yaari and IPL.
 - Detailed rationale for assigning weights to different approaches considered in valuation for arriving at the share exchange ratios.
 - Valuation workings along with Land valuation report with regards to land belonging to ILHMPL.
 - Impact of scheme on revenue generating capacity of Yaari along with future prospects of Yaari.
 - Reasons for not merging other subsidiaries of listed entities into Yaari.
9. “Company shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.”
10. “Company shall ensure that the proposed equity shares to be issued in terms of the “Scheme” shall mandatorily be in demat form only.”
11. “Company is advised that the “Scheme” shall be acted upon subject to the applicant complying with relevant clauses mentioned in the scheme document.”

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12. "Companies shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."
13. "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
14. "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
15. "Company shall ensure that applicable additional information, if any, to be submitted to SEBI along with draft scheme of arrangement as advised by email dated September 21, 2023 shall form part of disclosures to the shareholders."
16. "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

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

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

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

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

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

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

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

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company



Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



**Prasad Bhide
Senior Manager**



**Marian Dsouza
Senior Manager**