

**SCHEME OF ARRANGEMENT
IN THE NATURE OF AMALGAMATION OF
YASH SHELTERS LIMITED
(CIN: U45201GJ1992PLC017540)
(TRANSFEROR COMPANY)**

WITH

**YASH INNOVENTURES LIMITED
(CIN: L45100GJ1991PLC016557)
(TRANFEE COMPANY)**

I. PREAMBLE

Both the companies, the Transferor and the Transferee are under the same management. The Transferee Company is a listed company. Equity shares of transferee company are listed on BSE.

There shall be a synergic benefit by amalgamating the Transferor Company which is a closely held limited company into Transferee Company as the efficiency and worth of both the companies shall increase manifold.

The Amalgamation of the Transferor Company would also improve the efficiency and economic viability of the Transferee Company as it will have the advantage of larger scale of financial management and specialized resources which shall boost the Transferee Company and shall increase the worth of the members of the Transferee.

The Amalgamation will be advantageous to both the companies, their respective shareholders and all other concerned stakeholders.

II. RATIONALE OF THE SCHEME:

The amalgamation shall be in the interest of all concerned stakeholders including shareholders, customers, creditors, employees and general public, in the following ways:

- The business activities of the Transferor Company and the Transferee Company are similar in nature it would enable the Transferee Company to leverage its combined assets and to create a more competitive business, both in scale and operations;
- The Scheme will result in consolidation of the value of stakeholders which is in the interest of the shareholders, creditors and employees of the Amalgamating Company and the Amalgamated Company.
- The proposed amalgamation of YSL (Transferor Company) into YIL (Transferee Company) is in accordance with the Scheme of Amalgamation would enable both the companies to realize the substantial benefits of greater synergies among their businesses and would enable them to avail the financial resources as well as the



managerial, technical, man power, distribution and marketing resources of each other, leading to a reduction in costs.

- The Amalgamation contemplated in this Scheme will help avoid duplication of administrative functions, resources, systems, skills and processes, reduce overall cost, improve synergies, enable the achievement of economies of scale, reduce administrative costs entailed by the conduct of businesses through separate entities, eliminate multiple record-keeping, provide enhanced flexibility in funding of expansion plans, promote management efficiency and optimize the resources of the Amalgamated Company.
- Consolidation of entities will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the companies.
- It will lead to cost savings owing to more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
- It will help in achieving consolidation, greater integration and flexibility that will maximize overall shareholder's value and improve the competitive position and negotiating power of the combined entity.
- It would enhance operational, organizational and financial efficiencies, and achieve economies of scale by pooling of resources and ultimately enhancing overall shareholders value;
- it would achieve synergies in costs (particularly in respect of customer relationship management and establishing sales and marketing channels), operations, stronger and wider capital and financial base for future growth;

III. PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

-**PART A** deals with definitions and Share Capital

-**PART B** deals with the transfer and vesting of the Undertaking of the Transferor Company into the Transferee Company, including consideration and accounting treatment;

-**PART C** deals with the general terms and conditions applicable to this scheme.

PART A

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:



- 1.1 **"Act"** means the Companies Act, 1956, Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.
- 1.2 **"Appointed Date"** means the 1st day of October, 2022 or such other date as the Hon'ble National Company Law Tribunal may direct.
- 1.3 **"Board of Directors" or "Board"** in relation to the Transferor and Transferee Company, as the case may be, means the board of directors of such Company and includes any committee of directors constituted by the board of the respective Companies.
- 1.4 **"Companies"** means the Transferor Company and the Transferee Company, collectively.
- 1.5 **"Transferor Company"** means **YASH SHELTERS LIMITED (CIN: U45201GJ1992PLC017540)** a company incorporated under the Companies Act, 1956 on 13th day of April, 1992 having its Registered Office at Corporate House No. 3, Parshwanath Business Park, Behind Prahaladnagar Garden, S.G. Highway, Ahmedabad Gujarat 380014 India.
- 1.6 **"Transferee Company"** means **YASH INNOVENTURES LIMITED (CIN: L45100GJ1991PLC016557)** having its registered office at 1st Floor, Corporate House No. 3, Parshwanath Business Park, Bh, Prahladnagar Garden, S.G.Highway, Ahmedabad Gujarat 380014 India.
- 1.7 **"Effective Date"** means the date on which certified copy of the Order of Hon'ble National Company Law Tribunal vesting the assets, properties, liabilities, rights, duties, obligations of the Transferor Company into the Transferee Company is filed with the respective Registrar of Companies of State of Gujarat, after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefore.
- 1.8 **"NCLT"** means Gujarat bench of the National Company Law Tribunal as constituted under the Act.
- 1.9 **"Record Date"** means a day following the Effective Date as fixed by the Board of Directors of Transferor Company or a committee thereof for the purpose of determining the members of the Transferor Company to whom shares will be allotted pursuant to this Scheme.
- 1.10 **"Scheme"** means this Scheme of Arrangement in the nature of Amalgamation in its present form or with any modification(s) approved by the Hon'ble National Company Law Tribunal.



- 1.11 **"Stock Exchange"** means Bombay Stock Exchange (Designated stock exchange in the matter) on which securities of transferee Company are listed.
- 1.12 **"Undertaking"** shall mean and include the whole of the undertakings/assets, investments etc. of the Transferor Company, as a going concern, including all secured and unsecured debts, liabilities, policies, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, etc., unutilized deposits or credits, entitlements to refunds and / or credits of service tax, central excise, Goods and Service Tax in connection with the business of the Undertaking, duties and obligations and all the assets and properties, whether movable or immovable, real or personal, in possession or revision, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to Land and Building, all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, quota rights, import quotas, licenses, registrations, copyrights, patents, trade names, trademarks and other industrial rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile connections, internet, web pages, web sites, artificial intelligence, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, beneficial rights in any assets, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, funds, bank balances, accounts and all other rights, claims and powers, of whatsoever nature and whosoever situated belonging to or in the possession of or granted in favor of or enjoyed by the Transferor Company, as on the Appointed Date and all earnest money and/or deposits including security deposits paid by the Transferor Company in respect of said unit/undertaking as on the Appointed Date.
- 1.13 The words importing the singular include the plural; words importing any gender every gender.
- 1.14 Any word or expression used and not defined in the scheme but defined in the Act shall have the meaning respectively assigned to them in the Act or the Securities Contract (Regulation) Act, 1956, as applicable.



2. BACKGROUND OF BOTH COMPANIES.

BRIEF BACKGROUND OF YASH SHELTERS LIMITED (TRANSFEROR COMPANY)

YASH SHELTERS LIMITED is public limited company incorporated under the Companies Act, 1956 on April 13, 1992 with the name of REDEX LEASING AND FINANCE PRIVATE LIMITED, the name of the company has been changed to REDEX LEASING AND FINANCE LIMITED on 29/02/1996, again the name of the company has been changed to REDEX SHELTERS LIMITED on 02/04/1996, and lastly the name of the company has been changed to YASH SHELTERS LIMITED on 21/07/2005, having its registered office at Corporate House No. 3, Parshwanath Business Park, Behind Prahaladnagar Garden, S.G. Highway, Ahmedabad Gujarat 380014 India. The Company Identification Number (CIN) is U45201GJ1992PLC017540.

Main Object of the company

To carry on in India or elsewhere, either alone or jointly with one or more person, government, local or other bodies, the business to construct, build, alter, acquire, convert, improve, deign, erect, establish, equip, develop, dismantle, pull down, tum to account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, taste, inspect, locate, modify, own, operate, protect, promote, provide, participate, reconstruct, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist and to act as civil engineer, architectural engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrator, contractor, sub-contractor, turn-key contractor and manager of all types of constructions and developmental work in all its branches such as roads, ways, culverts, dams, bridges; railway, tram-ways, water-tanks, reservoirs, canals, wharves, warehouses, factories, buildings, structures, drainage and sewage works, water distribution and filtration systems, docks, harbors, piers, irrigation works, educational institute, hostels, foundation works, flyovers, airports, runways, rock drilling, aqueducts, stadiums, hydraulic units, sanitary work, power supply works, power stations, hotels, hospitals, dharmashalas, multistoreys, colonies, complexes, housing projects and other similar works and for the purpose to acquire, handover, purchase, sell own, cut to size, develop, distribute or otherwise to deal in all source of lands and buildings and to carry on all or any of the forgoing activities for building materials, goods, plants, machineries, equipments, accessories, parts, tools, fittings, articles, materials and facilities of whatsoever nature.

Board of Directors

S.N.	NAME OF THE DIRECTORS	DIN	PAN
1	GNANESH RAJENDRABHAI BHAGAT	00115076	ABVPB6439L
2	ANGANA GNANESH BHAGAT	02721337	AHNPB2904Q
3	TWISHAA GNANESH BHAGAT	08255272	BYBPB6515P



BRIEF BACKGROUND OF YASH INNOVENTURES LIMITED (TRANSFEREE COMPANY)

YASH INNOVENTURES LIMITED is public limited company incorporated under the Companies Act, 1956 on November 01, 1991 with the name of REDEX PROTECH LIMITED, the name of the company has been changed to YASH INNOVENTURES LIMITED on 30/11/2021, having its registered office at 1st Floor, Corporate House No3, Parshwanath Business Park, Bh, Prahladnagar Garden, S.G. Highway, Ahmedabad Gujarat 380014 India. The Company Identification Number (CIN) is L45100GJ1991PLC016557. The Equity Shares of the Company are listed on Bombay Stock Exchange (BSE). Website of the Company is www.yashinnoventures.com.

Main Object of the company

To carry on the business of construction, erection, purchase, alterations, repairs, renovations, maintenance and or development, builders, contractors, erectors. Developers of agricultural or otherwise lands, constructors of buildings, bungalows, shopping malls, commercial and industrial institutions, development and housing schemes, township, holiday resorts, hotels, motels, industrial estates, industrial parks, technology parks and housing colonies and in particular preparing of building sites. Constructing, reconstructing, erecting, altering, improving, enlarging, Developing, decorating. Furnishing and repairing and maintaining of structures, flats. Houses, Factories, Shops, factory sheds, offices and structure and other landed properties and to purchase, sell and deal in freehold, leasehold land and buildings, estates or right. title or interest in any land or property and to invest monies and to create mortgage, de mortgage and to make advances upon the securities of land, buildings and flats, offices, shops, garages, factories, warehouses, houses structures and other property or interest therein and to purchase, Sell, lease, hire, exchange or otherwise deal in land. House, property and the like and to manufacture, buy, sell, deal, undertake marketing, Import, export in every type of material including timber, laminates, cement, plywood, tiles used in construction and infrastructure projects channelling in India or elsewhere for own or that of others and to carry on the business of manufacturing, buying, selling, repairing, maintaining, importing, exporting, distributing in INDIA and/or Abroad equipment's for protection from fire and detection of fire and fire extinguisher, manual as well as automatic fire engines, fire trailer pumps, fire alarms, safety equipment and systems, fire blanks, accessories, ingredients, chemicals and spare parts necessary for the manufacturing of all the above referred firefighting equipment.

Board of Directors

S.N.	NAME OF THE DIRECTORS	DIN	PAN
1	GNANESH RAJENDRABHAI BHAGAT	00115076	ABVPB6439L
2	ANGANA GNANESH BHAGAT	02721337	AHNPB2904Q
3	HIRENBHAI PRAMUKHRAY PATEL	02502241	AZLPP5087A
4	ASHISH PRAKASH TRIPATHI	06594281	AERPT7082E



3. SHARE CAPITAL

(a) *The Share Capital of the Transferee Company as on 01.10.2022 is as under: -*

AUTHORISED	(IN RUPEES)
70,00,000 Equity Shares of Rs. 10/- each	7,00,00,000/-
TOTAL	7,00,00,000/-
ISSUED, SUBSCRIBED AND PAID UP	(IN RUPEES)
67,21,150 Equity shares of Rs. 10/- each	6,72,11,500/-
TOTAL	6,72,11,500/-

There has been no change in the capital structure of Transferee Company subsequent to above date till the date of approving of the Scheme by the Board of Directors.

(b) *The Share Capital of the Transferor Company as on 01.10.2022 is as under: -*

AUTHORISED	(IN RUPEES)
3,00,000 Equity Shares of Rs. 10/- each	30,00,000/-
TOTAL	30,00,000/-
ISSUED, SUBSCRIBED AND PAID UP	(IN RUPEES)
2,90,900 Equity shares of Rs. 10/- each	29,09,000/-
TOTAL	29,09,000/-

There has been no change in the capital structure of Transferor Company subsequent to above date till the date of approving of the Scheme by the Board of Directors.

PART B

4. TRANSFER AND VESTING

- (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the "Undertaking" of the Transferor Company shall, pursuant to Section 394 of The Companies Act, 1956 (corresponding Section 232 of The Companies Act, 2013) and section 2(19AA) of the Income-tax Act, 1961, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the undertaking with all estates, assets, properties, rights, title and interest of the Transferee Company.



- (b) Any statutory licenses, permissions, approvals or consents to carry on the operations pertaining to Transferor Company 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 upon the vesting and transfer of the Undertaking pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licenses, environmental approvals and consents, sales tax 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 persons, or availed of by the Transferor Company pertaining to the Transferor are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- (c) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company pertaining to the Transferor Company shall also, pursuant to 394 of The Companies Act, 1956 (corresponding Section 232 of The Companies Act, 2013) without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and 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, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-Clause.
- (d) Any tax liabilities under the Income-tax Act, 1961, Wealth tax Act, 1957, Goods and Service Tax Act, 2017 and any other state sales tax / value added tax laws, service tax, stamp laws or any other applicable laws/regulations dealing with taxes / duties / levies allocable or related to the Undertaking of the Transferor Company to the extent not provided for or covered by tax provisions in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- (e) Upon Scheme becoming effective, it is clarified that all the taxes and the duties payable by the Transferor Company from the Appointed Date onwards, including all advance taxes, tax deduction at source, tax liabilities, carried forward losses, unabsorbed depreciation or any refunds or claims shall, for all purpose, be treated as advance tax payments, tax deduction at source, tax liabilities, refunds or claims of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person, in order to give effect to the provision of this sub-Clause. Accordingly, upon the Scheme becoming effective, the Transferor Company, is expressly, permitted to revise and file and the Transferee Company is expressly permitted to revise and file their respective, income tax returns including tax deduction at source certificates, goods and service tax returns, excise return,



service tax returns, and other tax returns, and to claim refund/credit, pursuant to the provisions of this Scheme. Upon the Scheme becoming effective, any TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Company pertaining to the Transferor shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company.

- (f) The transfer and vesting of the assets and investments pertaining to the Transferor Company as aforesaid shall be subject to the existing securities, charges etc., if any subsisting, over or in respect of the property and assets or any part thereof in respect of the Transferor Company.

Provided, however, that any reference in any security documents or arrangements (to which the Transferor Company is a party) to the assets pertaining to Transferor Company 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 the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferor Company or any of the assets of the Transferee Company.

Provided further that the securities, charges etc., (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend to the assets of the Transferor Company vested in the Transferee Company.

5. BONDS CONTRACT, DEEDS AND OTHER INSTRUMENTS:

- (a) Upon the Scheme coming into effect and subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relations to the Transferor Company is a party or to the benefit of which the Transferor Company is or may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour, as the case may be, of the Transferee Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or oblige thereto.
- (b) All deposits including public deposits, debentures or bonds and any amount remaining unpaid / unclaimed relating thereto of the Transferor, if any, shall be kept distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting and shall not be combined with any



existing outstanding deposit scheme or series of debentures or bonds of the Transferee Company.

- (c) The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.

6. LEGAL PROCEEDINGS:

- (a) Upon the Scheme coming into effect, all suits, actions and proceedings by or against the Transferor Companies pending and/or arising on or before the Effective Date, shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company.
- (b) The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause (a) above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

7. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE:

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

- (a) The Transferor Company shall carry on and be deemed to carry on all its businesses and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company of the Transferor Company.
- (b) All the profits or income accruing or arising to the Transferor Company and all costs, charges, expenditure, taxes or losses arising or incurred by Transferor Company shall, for all purposes be treated as the profits or losses of the Transferee Company as the case may be.
- (c) The Transferor Company hereby undertakes to carry on its business until the Effective Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate charge or encumber or otherwise deal with the assets or any part thereof except in the ordinary course of its business.
- (d) The Transferor Company shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or



expenditure without the written consent of the Transferee Company, except in the ordinary course of business.

- (e) The Transferor Company shall not, without the written consent of the Transferee Company, undertake any new business.
- (f) Save as specifically provided in this Scheme, neither the Transferor Company nor the Transferee Company shall make any change in their capital structure by way of increase (whether by a rights issue, issue of equity or preference shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, reorganization or in any manner which may in any manner affect the Share Exchange Ratio prescribed in Clause 9 except by mutual consent of the Board of Directors of both the companies.
- (g) The Transferor Company shall not vary the terms and conditions of the service of its staff, workmen and employees except in the ordinary course of business.

8. OPERATIVE DATE OF THE SCHEME:

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

9. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES:

- (a) All employees of the Transferor Company in service on the Effective Date, shall become employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favorable than those subsisting with reference to the Transferor Company as on the said date. The Transferor Company in relation to the Undertaking shall not vary the terms and conditions of the employment of its employees except in ordinary course of business. It is provided that so far as the Gratuity Fund, created or existing for the benefit of the employees of the Transferor Company, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of the Fund or in relation to the obligation to make contributions to the said Fund in accordance with provisions of such Fund as per the terms provided in the Trust Deed, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Fund shall become those of the Transferee Company. It is clarified that the services of the employees pertaining to and in relations to the Transferor Company will be treated as having been continuous for the purpose of the aforesaid Fund.
- (b) It is provided that so far as the Provident Fund or any other Special Scheme(s)/Fund(s) (except Gratuity Fund), if any, created or existing for the benefit of the employees of the Transferor Company is concerned, upon the



coming into effect of this Scheme, the same shall merge into such Scheme(s)/ Fund(s) maintained/ administered/ operated by the Transferee Company for the benefit of the employees of the merged company to the end and intent that all the rights, duties, powers and obligations pertaining to and in relations to the Transferor Company in relation to such Schemes/Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid Schemes/Funds. On such merger the erstwhile Fund for the benefit of the employees of the Transferor Company pertaining to and in relations to the Undertaking shall, subject to fulfillment of procedural requirement, if any, shall stand dissolved.

10. ISSUE OF SHARES BY THE TRANSFEE COMPANY

- (a) Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Transferor company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application, act or deed, issue and allot at par the Equity Shares of Rs.10/- (Rupees Ten Only) each credited as fully paid-up in the Capital of the Transferee Company to the members of the Transferor company whose names appear in the Register of Members of the respective Transferor Company on a date (Record Date) to be fixed by the Board of Directors of the Transferee Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company and approved by them to be placed on its register of names in the following proportion :

For 1 (One) Equity Shares of Rs. 10/- each held in Transferor Company, 32 (Thirty Two) Equity Shares of Rs.10/- each of Transferee Company to the Equity Shareholders of Transferor Company.

The said new Equity Shares shall rank for voting rights and in all other respects pari-passu with the Equity Shares of the Transferee Company.

In consideration of the transfer and vesting of the Transferor Undertaking in accordance with the provisions of this Scheme, the paid-up share capital of the Transferee Company shall be increased in the manner set out in this Clause.

- (b) In so far as the Equity shares of the Transferor Companies if any, held by the Transferee Company, on the Effective Date are concerned, such shares would be cancelled and to that extent the Transferee Company is required to issue less number of shares.



- (c) In so far as the Equity shares of the Transferee Company if any, held by the Transferor Companies are concerned, such shares would be cancelled on the effective date.
- (d) There are no cross holding and hence there is no reduction of share capital upon the scheme is sanctioned.
- (e) For the purpose as aforesaid the Transferee Company shall, if and to the extent required, apply for and obtain the requisite approvals including that of the appropriate authorities concerned for issue and allotment by the Transferee Company to the respective members of the Transferor company of the Equity Shares in the said re-organised share capital of the Transferee Company in the ratio as aforesaid.
- (f) The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Transferee Company.
- (g) The Equity Shares of the Transferee Company issued in terms of the Clause 9(a) above shall be issued in dematerialized form and shall be admitted to be listed and/or admitted to trading on any Stock exchange/s, whether in India or abroad.
- (h) If any shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Equity Shares by the Transferee Company, the Board of the Transferee Company shall consolidate all such fractional entitlements and shall round up the aggregate of such fractions to the next whole number and issue consolidated New Equity Shares to a trustee nominated by the Transferee Company (the "Trustee"), who shall hold such New Equity Shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within ninety (90) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, where upon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

The listed company shall submit to the designated stock exchange a report from its Audit Committee and the Independent Directors certifying that the listed entity has compensated the eligible shareholders. Both the reports shall be submitted within 7 days of compensating the shareholders.



- (i). Upon the Scheme coming to effect, the shares to be allotted to the members of the Transferor Company by the Transferee Company shall be listed and / or admitted to trading on the relevant stock exchange / s in India where the equity shares of the Transferor are listed and / or admitted to trading as on effective date. Accordingly, the Transferee Company shall take steps for listing simultaneously on all such stock exchanges(s) within a reasonable period of the receipt of the final NCLT order sanctioning the Scheme. The Transferee Company shall make necessary application with the provisions of the Applicable Laws, including as applicable, the provisions of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November, 30, 2015, SEBI Circular No. CFD/DIL/3/CIR/2017/105 Dated September 21, 2017, SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018, SEBI Master circular No: SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 Dt: 23/11/2021 and as amended from time to time. The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing /trading are provided by the stock exchanges.
- (j). The New Equity Shares of the Transferee Company to be issued to the members of the Transferor Company pursuant to above clause shall be subject to the memorandum and articles of association of the Transferee Company and shall be in electronic form executed through corporate action by transferee company and shall rank pari-passu in all respects, including dividend, with the existing equity shares of the Transferee Company. Share transfer, if any, pending in the books of transferor entity shall be effected in transparent manner. There are no shares held in abeyance on the books of transferor company.
- (k). The issue and allotment of New Equity Shares by the Transferee Company, to the shareholders of Transferor Company as provided in above clause is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) of the Act and all other relevant Rules, Regulations and Laws for the time being in force were duly complied with.
- (l). Upon the Scheme becoming effective, the existing equity shares held by the Transferor Company or its nominee in the Transferee Company shall stand cancelled, extinguished and annulled and from the Effective Date. The cancellation, as aforesaid, which amounts to reduction of share capital of the Transferee Company, shall be effected as an integral part of this Scheme itself in accordance with the provisions of Section 66 of the Act and the order of the Tribunal sanctioning the scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital. Notwithstanding the reduction as aforesaid, the Transferee Company shall not be required to add "and reduced" as suffix to its name and the Transferee Company shall continue in its existing name.
- (m) In the event there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the



Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, as the case may be, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of the Transferee 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 the Transferee Company on account of difficulties faced in the transition period.

- (n) Upon the coming into effect of this Scheme becoming effective and upon the New Equity Shares of the Transferee Company being allotted and issued by it to the shareholders of Transferor Company whose names appear on the register of members as a member of the Transferor Company on the Record Date or whose names appear as the beneficial owners of the equity shares of the Transferor Company in the records of the depositories/register of members, as the case maybe, as on the Record Date, the equity shares of Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, Transferee Company may, instead of requiring the surrender of the share certificates of Transferor Company, directly issue and dispatch the new share certificates of Transferee Company in lieu thereof. As specified in Clause 11.2 of Part C above, the Transferor Company Shares held by the Transferee Company shall stand cancelled as on the Record Date and the Transferee Company shall and will not allot any New Equity Shares to itself albeit the name of the Transferee Company appearing as a member in the register of members of the Transferor Company on the Record Date.
- (o) The New Equity Shares to be issued by the Transferee Company in respect of such equity shares of the Transferor Company, the allotment or transfer of which is held in abeyance under Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.

11 ACCOUNTING TREATMENT

Notwithstanding anything contrary herein, upon this scheme become effective, the Transferee company shall give effect to the accounting treatment in the books of accounts on appointed date in accordance with the accounting standard specified under Section 133 of the Act read with the companies (Indian Accounting Standards) Rules 2015, or any other relevant or related requirement under the Act, as applicable.



11.1 IN THE BOOKS OF THE TRANSFEROR COMPANY:

11.1.1 Upon the Scheme becoming effective, the Transferor Company shall reduce the book value of assets and the liabilities pertaining to the Transferor Company as on the Effective Date.

11.1.2 The difference between carrying amount of the assets and carrying amount of the liabilities transferred in accordance with the aforesaid paragraph will be recognized as loss in profit or loss for the period the scheme becomes effective.

11.2 IN THE BOOKS OF THE TRANSFeree COMPANY:

11.2.1 Upon the Scheme becoming effective, the Transferee Company shall:

- (a) Record the assets and liabilities pertaining at the respective book values as appearing in the books of Transferor Company as on the Appointed Date;
- (b) Credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to this scheme and Clause 9.

11.2.2 The excess assets of the Transferor undertaking as on the Appointed Date over the (i) book value of the liabilities of the Transferor Undertaking as on the Appointed Date and (ii) paid up value of the equity shares issued by the Transferee Company to the Shareholders of Transferor Company (the amount credited as share capital), will be credited to the capital reserve account of the Transferee Company. In case of there being a shortfall, the same shall be debited to capital reserve.

12. TAX ASPECTS

(a) This Scheme is in compliance with the conditions relating to "Amalgamation" as specified under Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 such that:

(b) If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961, the provisions of Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) and Section 72A(4) of the Income-tax Act, 1961 as on the Appointed Date; such modification shall not affect other parts of the Scheme.

(c) Upon Scheme becoming effective, it is clarified that all the taxes and the duties payable by the Transferor Company, relating to the Transferor Undertaking, from the



Appointed Date onwards, including all advance taxes, tax deduction at source, tax liabilities, or any refunds or claims shall, for all purpose, be treated as advance tax payments, tax deduction at source, tax liabilities, refunds or claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferor Company, is expressly, permitted to revise and file and the Transferee Company is expressly permitted to revise and file their respective, income tax returns including tax deduction at source certificates, sales tax/value added tax returns, excise return, service tax returns, goods and services tax return and other tax returns, and to claim refund/credit, pursuant to the provisions of this Scheme.

- (d) In accordance with the relevant central or state legislation dealing with indirect taxes, as are prevalent on the Effective Date, the unutilized credit relating to excise duties, goods and services tax and value added taxes paid on inputs/capital goods lying to the account of the Transferor, shall be permitted to be transferred to the credit of the Transferee Company, as if such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such credits against excise duty/ goods and services tax and applicable valued added tax payable by it.
- (e) Upon the Scheme becoming effective, any TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Company pertaining to the Transferor shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company.
- (f) The obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company pertaining to the Transferor Undertaking under the Income Tax Act, 1961, goods and services tax law, service tax laws, central sales tax, state value added tax or other applicable laws and/or regulations dealing with taxes, duties or levies shall be deemed to have been made and duly complied with on behalf of the Transferee Company.

13. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEEE COMPANY.

- (a) Upon coming into effect of the Scheme, the Authorised Share Capital of the Transferor Company, as mentioned in Clause 2 (a) to 2(d) above and part of it, or such amount as may be on the effective date, shall be added to the Authorised Share Capital of the Transferee Company, as on the effective date, without any further act or deed and without any further payment of the stamp duty or the registration fees and Clause V of the Memorandum of Association of the Transferee Company shall be replaced accordingly.
- (b) Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alteration viz. Change in Capital Clause, referred above, shall become operative on the scheme being effective by virtue of the fact that the



Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under earlier Section 94, and 81(1A) of the Companies Act, 1956 (now Section 61, and 62 of the Companies Act, 2013) or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

- (c) Upon the Scheme being effective, the Transferee Company shall be entitled to commence and carry on the business and activities currently being carried on by the Transferor Company without any further act or deed with effect from the appointed date. It is clarified that there will be no need to pass a separate Shareholders' resolution as required under Section 149(2A) of the Act (now Section 11 of the Companies Act, 2013).

14. DECLARATION OF DIVIDEND

- (a) The Transferor Company and the Transferee Company shall be entitled to declare and pay dividend, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date, provided that the Transferor Company shall not make any such declaration, except with the prior approval of the Board of Directors of the Transferee Company.
- (b) It is clarified that the aforesaid provision in respect of declaration of dividends, whether interim or final, is an enabling provision only and shall not be deemed to confer any right on any member of any of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company respectively.

15 DISSOLUTION OF TRANSFEROR COMPANY

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

16 COMPLIANCE WITH SEBI REGULATIONS

- a. In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations); SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and the SEBI Master Circular No SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November, 2021 ("the SEBI Scheme Circular"), as amended from time to time, and other applicable provisions, if any, the present Scheme of Arrangement will be approved by Shareholders of the Listed Transferee Company by passing a Resolution through e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution.



- b. The Scheme of arrangement shall be acted upon only if the votes cast by the public shareholders of transferee company are in favour of the proposal are more than the number of votes cast by the public shareholders against it
- c. Notwithstanding above, the Transferee Company will also comply with the provisions of the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Listing Agreement, SEBI Regulations, SEBI Circulars and other applicable provisions, if any, in connection with this Scheme and other connected matters.
- d. BSE Ltd will act as the Designated Stock Exchange for the purposes of this Scheme.

16 APPLICATIONS TO HON'BLE NATIONAL COMPANY LAW TRIBUNAL

The Transferor Company and the Transferee Company shall with all reasonable dispatch make applications and petitions under Section 230 and 232 of the Companies Act, 2013 and other applicable provisions of the Act to the Hon'ble National Company Law Tribunal for sanctioning this Scheme.

17 MODIFICATION / AMENDMENT TO THE SCHEME

- (i) The Transferor Company and the Transferee Company, through their respective Board of Directors, may give consent to any modifications or amendments to the Scheme or agree to any terms or conditions which the Hon'ble Tribunal and/or other authorities under law may deem fit to impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise in implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.
- (ii) For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are authorised to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

18 SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

The Scheme is conditional on and subject to:

- (a) the approval to the Scheme by the requisite majorities of the shareholders and creditors, if any, of the Transferor Company and the shareholders and creditors of the Transferee Company.



- (b) the sanction of the National Company Law Tribunal, under Section 230 to 232 of the Companies Act, 2013, in favor of the Transferor Company and the Transferee Company and to the necessary Orders under Section 230 to 232 of the Act, being obtained.
- (c) Filing of the order obtained from the National Company Law Tribunal, under Section 230 to 232 of the Companies Act, 2013 with the Registrar of Companies, Gujarat State.
- (d) any other sanction or approval of any concerned authorities, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

19 EXPENSES CONNECTED WITH THE SCHEME AND INCIDENTAL TO THE COMPLETION OF THE AMALGAMATION

All costs, charges and expenses of the Transferor Company and Transferee Company in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the Transferor Company in pursuance of the Scheme shall be borne by the respective companies.

