

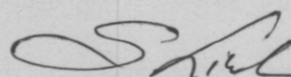
**SCHEME
FOR
REDUCTION OF SHARE CAPITAL
BETWEEN
CHARMS INDUSTRIES LIMITED
&
ITS SHAREHOLDERS**

(UNDER SECTION 66 OF THE COMPANIES ACT, 2013 ("THE ACT") AND NATIONAL COMPANY LAW
TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016 ("THE
RULES")

PREAMBLE:

This Scheme provides for undertaking of capital reduction of **CHARMS INDUSTRIES LIMITED** (hereinafter referred as "CIL or "the Company"), whereby the paid-up share capital of the "CIL" shall be reduced from Rs. 4,10,61,000/- divided into 41,06,100 Equity Shares of Rs.10/- each fully paid-up to Rs.41,06,100/- divided into 41,06,100 equity shares of Re.1/-each fully paid-up and that such reduction be effected by cancelling the paid up capital amounting to Rs 3,69,54,900/- which has lost or is unrepresented by available tangible assets. Further, the Company also propose to cancel the capital reserve account of Rs.31,46,530/- by adjustment in debit balance of Profit & Loss Account and therefore the total amount of adjustment in debit balance of Profit & Loss Account is aggregating to Rs. 4,01,01,430/-.

Further the reduction will be to the extent of Rs.9/- per share upon each of the 41,06,100 equity shares which have been issued by reducing the paid-up value of all the shares in the capital of the Company from Rs.10/- per share to Re.1/- per share. The debit balance of Profit





& Loss Account of the Company will be written off to the extent of amount of the aforesaid reduction of share capital and Capital Reserve.

The purpose of the Scheme is the Reduction of Equity Share Capital to undertake financial restructuring and reconstruction of the Company whereby the Company would write off carried forward accumulated losses of past years by reduction of 90% of its paid-up equity shares capital, so as to give a true and realistic view of the value of the shares and present liner balance sheet of the company. This has given rise to the need to re-adjust the relation between capital and assets and reflect the liabilities and assets of the Company accurately and fairly in its books of accounts and also to operate with a leaner base balance sheet.

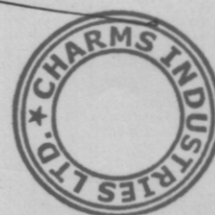
BACKGROUND

The issued, subscribed and paid-up capital of the Company is Rs. 4,10,61,000/- divided into 41,06,100 Equity Shares of Rs.10/- each fully paid-up based on the audited financial statements for the period ended March 31,2023. These financial statements reflects accumulated losses (Debit balance of the profit and loss account) of Rs 4,12, 35,570/- as on March 31, 2023. Such Accumulated losses have substantially wiped off the value represented by the share capital.

Financial Highlights of the company as per Audited financial statements for the last three financial Year are given below

Particulars	For the financial year 2022-23	For the financial year 2021-22	For the financial year 2020-21
Paid up Share capital	4,10,61,000	4,10,61,000	4,10,61,000
Capital Reserve	31,46,530	31,46,530	31,46,530
Profit & Loss Account (Dr.)	(4,12, 35,570)	(3,98,08,027)	(3,91,07,545)
Profit After Tax	(14,27,540)	(7,00,482)	(28,21,528)

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SALIENT FEATURES OF THE SCHEME

1. The Scheme of Reduction of Capital of **CHARMS INDUSTRIES LIMITED** is made pursuant to the provisions of Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure for Reduction of share capital of the company) Rules, 2016.
2. The Scheme also provides for various other matters consequential, supplemental and/or otherwise integrally connected herewith.

SECTION OF THE SCHEME

The Scheme is divided into the following parts:

- a. **SECTION 1** which deals with the Definitions and Date of taking effect of the Scheme.
- b. **SECTION 2** deals with reduction of capital of **CHARMS INDUSTRIES LIMITED**
- c. **SECTION 3** deals with Other Terms and Conditions

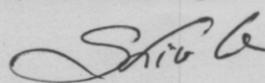
SECTION 1

DEFINITIONS AND DATE OF TAKING EFFECT OF THE SCHEME

1. DEFINITIONS

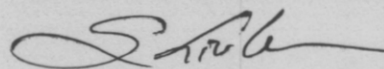

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 "Act" means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.2 "Capital Reduction" means Issued, Subscribed and Paid-up share capital is reduced from Rs.4,10,61,000/- divided into 41,06,100 equity shares of Rs.10/- each fully paid-up to Rs.41,06,100/- divided into 41,06,100 equity shares of Re.1/-each fully paid-up by canceling the 90% of the paid-up capital i.e. Rs



3,69,54,900/- from the capital which has lost or is unrepresented by available tangible assets of the company.

- 1.3 "Company" means CHARMS INDUSTRIES LIMITED, a Company incorporated under the Companies Act, 1956, having its registered office at 108-B/109 Sampada Building, Mithakhali Six Roads, Opp. Hare Krishna Complex, B/H, Kiran Motors, Ahmedabad -380009 In.
- 1.4 "Effective Date" means the date on which the certified copies of the Order of the National Company Law Tribunal, Ahmedabad Bench or any other appropriate authority sanctioning the Scheme and the minutes of reduction are registered by the Registrar of Companies, Gujarat at Ahmedabad ("RoC") and a certificate is issued by the RoC to that effect.
- 1.5 "IndAS" means the Indian Accounting Standards prescribed under Section 133 of the Act.
- 1.6 "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- 1.7 "NCLT" or "Tribunal" means National Company Law Tribunal, Ahmedabad Bench as constituted and authorized as per the provisions of the Act.
- 1.8 "BSE" Means Bombay Stock Exchange Limited.
- 1.9 "Para" means paragraph of this Scheme.
- 1.10 "Record Date"(For Arrangement / Reduction of Capital / Reorganization) means the date to be fixed by the Board of Directors of the CIL for the purpose of reckoning name of the Equity Shareholders, who shall be entitled to new

share certificate, upon coming into effect, the financial restructuring (reduction of capital /arrangement), of this Scheme.

1.11 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Capital Reduction of **CHARMS INDUSTRIES LIMITED** in its present form submitted to NCLT or any other appropriate authority or with any modification(s) made of the said Scheme.

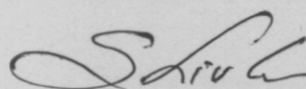
1.12 "SEBI" means the Securities and Exchange Board of India;

1.13 "The Board" means the Board of Directors of **CHARMS INDUSTRIES LIMITED** and shall include a duly constituted committee thereof.

2. DETAILS OF THE COMPANY

2.1 Incorporation of the Company

- a. The Company was originally incorporated as "CHARMS CERAMICS LIMITED" on 24th April, 1992 under the Companies Act 1956 with a Certificate of Incorporation issued by Registrar of Companies, Gujarat. Subsequently the name was changed from 'CHARMS CERAMICS LIMITED to 'CHARMS INDUSTRIES LIMITED vide a fresh certificate of incorporation dated 1st Day of April, 1999 issued by the Registrar of Companies, Ahmedabad, Gujarat, Dadra & Nagar Haveli.
- b. The registered office of the Company is situated at 108-B/109 Sampada Building, Mithakhali Six Roads, Opp.Hare Krishna Complex, B/H, Kiran Motors, Ahmedabad -380009 In.
- c. The corporate identity number of the Company is L72900GJ1992PLC017494.

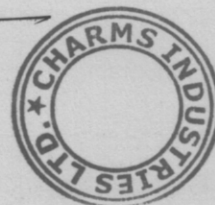
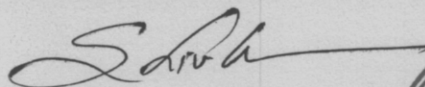


- d. The shares of the Company are currently listed on Bombay Stock Exchange (“Stock Exchange”).
- e. The Company is, inter alia, engaged in the business of money changers and is functioning as RBI registered Full-Fledged Money Changers (FFMC).

2.2 Objects of the Company

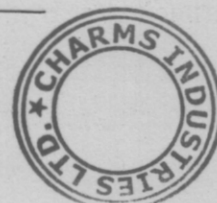
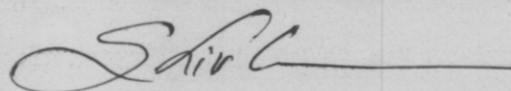
Main objects of the Company as contained in the Clause III(A) of the Memorandum of Association of the Company are reproduced herein below:

1. To carry on business of Money Changers subject to the permission as may be required from Reserve Bank of India or any other authority.
2. To carry on in India or elsewhere in the World, with or without collaboration, the business as software engineers, software developers, software programmers, software trainers, branding services, networking engineers, web designers, web development, application development and integration, software solutions, comp shop, management of bulk data, computer or other management consultancy services, education centers, training centers, Call Centre Services, in all of its aspect and to design, develop, apply, interpret, analyze, improve and buy, sell, import, export, lease, hire, license, operate, assemble, repair, recondition, alter, convert, improve, upgrade, install, modify system development and support software of all kinds, to provide ERP Solutions, internet related solutions, E Commerce, internet and connectivity solutions, video conferencing, telecommunication software, satellite communication software, radio communication software ,wireless communication software, Corporate Communication software and hardware, parallel communication software, collection, storing, tabulations, analysis and interpretation of data of all kinds, real time applications, web applications and to provide Hi Tech solutions, to give consultancy services in respect thereof and to develop, prepare, run, update, invent, analyze, design, improve the various programmes and to provide, lease,



hire, transfer, buy, sell, import, export such programmes to various kind of users either on BOOM or BOLT basis and other services connected therewith.

3. To manufacture, design, develop sell, provide, equip, supply, import from other Countries, export to other Countries, furnish, undertake, install, erect, commission, test and stock Computer, Communication Software, Hardware and Computer Peripherals for commercial applications like accounting, inventory, production planning, management information systems, documentation and such others, office automation applications, scientific applications, engineering applications, technical applications, communications, data base publishers, local area networking, wide area networking, computer aided designing, computer aided manufacturing, computer aided engineering, desk top publishing multimedia, shop floor computerization, process control, computerised numerical control systems, graphical animations, animated films, using computers banking, insurance, transport, professionals for storage, retrieval, analysis, reproduction of various media filing of drawings, photographs, correspondence, records and such other applications and such other subjects for local and export market.
 4. To carry on business as developers, Builders, Managers, Operators, hirers, real estate agent and dealers of all kinds of immovable properties, including but not limited to that of lands, buildings, farms, cinemas, hotels and cold stores and to carry on all incidental or allied activities and business as are usually carried on by Builders, Managers, Operators, Hirers Agents and Dealers of such properties.
 5. To deal in all or any types of products of agricultural, horticulture, herbals, industrial products, consumer products, consumer durables, building materials, pharmaceuticals, engineering, chemicals, petro-chemicals, rubber, plastics, polymers, textile, all type of precious metals, metal ferrous and non-ferrous metal products, stones, semiprecious stones, precious stones of all shapes, specifications and varieties.
- 2.3** Article of the Association of the company provides power to file application for the Reduction of Share capital of Charms Industries Limited ("the company")



2.4 Share Capital

The Authorized, Issued, Subscribed and Paid up Share Capital of **CHARMS INDUSTRIES LIMITED** as per the latest audited financial as at 31st March, 2023 is as under:-

Particulars	(Amount in Rs.)
Authorized Share Capital	
45,00,000 Equity Shares of Rs.10/- each	4,50,00,000

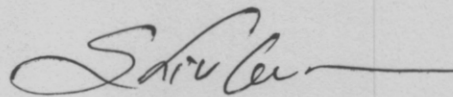
Total	4,50,00,000
Issued & Subscribed Capital	
41,06,100 Equity Shares of Rs.10/- each	4,10,61,000

Total	4,10,61,000
Paid-up Share Capital	
41,06,100 Equity Shares of Rs.10/- each	4,10,61,000

Total	4,10,61,000

2.5 Financials of the Company

Particulars	Financial Year ended March 31, 2022 (Amount in Thousand)	Financial Year ended March 31, 2023 (Amount in Thousands)
Total Current Assets	1790.33	2360.36
Total Current Liability	1151.62	3119.65
Reserve & Surplus	(36,661.50)	(38,089.04)



3. PROMOTERS AND DIRECTORS

3.1 The names of the promoters of the Company as on 31st March, 2023, along with their addresses are set forth below:

Sr. No.	Name	Promoter / Promoter Group	Address
1	Shivkumar Raghunandan Chauhan	Promoter	A/8, Riddhi Siddhi Bungalows, Near Ramdevnagar Cross Road Satellite, Ahmedabad -380015.
2	Nehalben Shivkumar Chauhan	Promoter	A/8, Riddhi Siddhi Bungalows, Near Ramdevnagar Cross Road Satellite, Ahmedabad -380015.

3.2 The names of the directors of the Company as on the date of approval of the Scheme along with their addresses are set forth below:

Sr. No.	Name of Director	Designation	Address
1	Shivkumar Raghunandan Chauhan	Managing Director	A/8, Riddhi Siddhi Bungalows, Near Ramdevnagar Cross Road Satellite, Ahmedabad -380015.
2	Nehalben Shivkumar Chauhan	Non- Independent Non-Executive Director	A/8, Riddhi Siddhi Bungalows, Near Ramdevnagar Cross Road Satellite, Ahmedabad -380015.
3	Harshad Shantilal Gandhi	Chairman Independent Director	14, Manv Residency, Opp. Surya Deep Bungalows, Near Railway Line, Science City Road, Sola, Ahmedabad -380060 (Guj.)
4	Nishit Madhavbhai Rupapara	Independent Director	C 201, Sahaj Residency, Opposite Pandava Vadi, T B Nagar, Nikol Ahmedabad – 382350(Guj.)

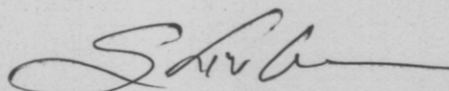

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5	Parth Shivkumar Chauhan	Non- Independent Non-Executive Director	A/8 Riddhi Siddhi Bunglows, Near Ramdev Cross Road, Satellite Ahmedabad - 380015 (Guj.).
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4. OTHER DISCLOSURES

- 4.1 No investigations or proceedings have been instituted and are pending against the Company under the Act.
- 4.2 The Company has not accepted any deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Hence, the Company is not in arrears with respect to repayment of any deposits or interest thereon, as on the date of filing of this Scheme.
- 4.3 The Scheme will not have any adverse effect on any directors, key managerial personnel, promoters, non-promoter members, creditors and employees of the Company. The Company does not have any depositors and debenture holders. The Scheme will be in the best interest of all the stakeholders of the Company.
- 4.4 The benefits of the Scheme to the Company and its respective members, creditors and employees, as perceived by the Board, are mentioned in Section 2 of the introduction of this Scheme

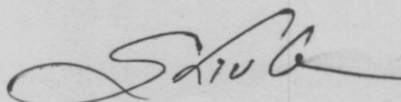

Section 2

Reduction of capital of the Company

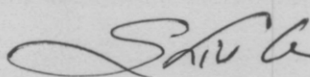
5. BACKGROUND AND RATIONALE TO THE SCHEME

The background and circumstances which justify the said scheme are inter- alia as follows.

- 5.1 The Board of Directors of the Company has considered necessary to undertake a scheme of Capital Reduction so as to give a true and realistic view of the value of the shares and present liner balance sheet of the Company.
- 5.2 The balance in Profit & Loss Account (debit) as at 31st March, 2023 was Rs. 4,12,35,570/- - (Rupees Four Crores Twelve Lakhs Thirty-five Thousand Five Hundred Seventy Only).
- 5.3 The proposed reduction of the equity share capital of the Company is being undertaken in accordance with the provisions of Section 66 of the Companies Act, 2013 and the rules made thereunder and specifically the Rules, which permit a company to undertake a reduction of its share capital in any manner, read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"/ Listing Regulations"), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR") and the SEBI Circular (as defined hereinafter).
- 5.4 The Company's shares are listed in Bombay Stock Exchange.
- 5.5 The proposed reduction of the equity share capital of the Company would not have any adverse effect on the creditors of the Company or the Company's ability to full fill its commitments or meet its obligations in the ordinary course of business.

- 5.6 The Scheme does not provide any cash pay out to affect the Reduction of Capital, therefore the scheme will not adversely affect the liquidity and/or financial position of the Company.
- 5.7 The Company has been incurring continuous losses and the chances of recovery are remote. Hence it is prudent to write off part of the debit balance in Profit & Loss account to the extent of Rs.4,01,01,430/- by cancelling the capital in which Rs.3,69,54,900/- is a amount which is lost or is unrepresented by available tangible assets and capital reserve Accounts amounting to Rs.31,46,530 aggregating to Rs.4,01,01,430/-. The resultant paid-up capital of the Company will be Rs.41,06,100/- divided into 41,06,100 equity shares of Re.1/- each fully paid-up.
- 5.8 The financial restructuring will help the Company to reflect better its operational efficiency, improvements in the future years and reflect the true share value.
- 5.9 As on 31st March, 2023 the Company does not have any secured creditor hence, NOC from secured creditor is not required. For the sake of clarity, the company has taken certificate from **M/s. Ashit N. Shah & Co; Chartered Accountant (FRN: 100624W)**, who is the statutory auditor of the company by stating that the company has no secured creditors as on 31.03.2023 Further, it is specified that the reduction in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The creditors of the Company are in no way affected by the proposed restructuring by way of the reduction of capital.
- 5.10 The Company shall reduce the existing Paid-Up Equity Share Capital from Rs. 4,10,61,000/- divided into 41,06,100 Equity Shares of Rs.10/- each fully paid-up to Rs.41,06,100/- divided into 41,06,100 equity shares of Re.1/-each fully paid-up and that such reduction be effected by cancelling the paid up capital amounting to Rs 3,69,54,900/- which has lost or is unrepresented by available



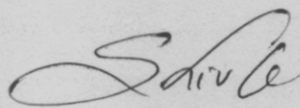

tangible assets. Further, the Company also propose to cancel the capital reserve account of Rs.31,46,530/- by adjustment in debit balance of Profit & Loss Account and therefore the total amount of adjustment in debit balance of Profit & Loss Account is aggregating to Rs. 4,01,01,430/-.

- 5.11 To effect such reduction in Issued, Subscribed and Paid-Up Equity Share Capital the shareholders of the Company on the record date will get 1 (One) equity shares of Re.1/- (rupee One Only) each fully paid-up against 1(One) equity shares of Rs.10/- (Rupees Ten Only) each fully paid up.
- 5.12 The Issued, Subscribed and Paid-up Share Capital, post reduction will be Rs.41,06,100/- divided into 41,06,100 equity shares of Re.1/- each fully paid-up.

The debit balance of Profit & Loss Account of the Company will be written off to the extent of amount of the aforesaid reduction of share capital and capital reserve.

6. COMPLIANCE

- 6.1 The consent of the members of the Company for the Capital Reduction and this Scheme shall be obtained through a special resolution under the provisions of Section 66 of the Act and any other applicable provision of the Act and Listing Regulations.
- 6.2 The Scheme, if sanctioned, shall be fully in compliance with the Securities and Exchange Board of India Act, 1992, Listing Regulations and SEBI Circulars. Upon the Scheme becoming effective, the Company shall ensure compliance with applicable provisions of the Listing Regulations.

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY

7.1 To effect such reduction in Issued, Subscribed and Paid-Up Equity Share Capital the shareholders of the Company on the record date will get 1 (One) equity shares of Re.1/- (rupee One Only) each fully paid-up against 1(One) equity shares of Rs.10/- (Rupees Ten Only) each fully paid up.

7.2 The Company shall reduce the existing Paid-Up Equity Share Capital from Rs.4,10,61,000/- (Rupees Rupees Four Crore Ten Lakhs Sixty One Thousand Only) divided into 41,06,100 Equity Shares of Rs. 10/- (Rupees Ten Only) each fully paid up TO Rs.41,06,100/- (Rupees Rupees Forty One Lakhs Six Thousand One Hundred Only) divided into 41,06,100 Equity Shares of Re.1/- (Rupee One Only) each fully paid up and that such reduction be effected by reducing the paid up value of shares of the Company from Rs.10/- per share to Re.1/- per share, on 41,06,100 Equity Shares, which is lost or un-represented by the available assets i.e. Debit balance in Profit & Loss Account.

7.3 The cancellation of the shares is proportionately among the members of the Company and the same shall be utilized for adjusting the debit in Profit & Loss account.

7.4 The Company shall cancel the Capital reserve Account of Rs.31,46,530/- and the same shall be utilized for adjusting the debit in Profit & Loss account.

7.5 Upon the Scheme becoming effective the paid up value of shares of the Company will be reduced from Rs.10/- per share to Re.1/- per share, on 41,06,100 Equity Shares and consequently, the paid-up equity share capital of the Company as on the Effective Date shall become **Rs. 41,06,100/-** divided into 41,06,100 equity shares of Re.1/- each fully paid up.

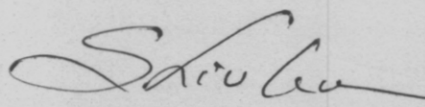

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- 7.6 The Capital Reduction and the consequent cancellation of the share capital shall be effected as per the provisions of Section 66 of the Companies Act, 2013 and other applicable provisions of the Act, rules (including the Rules) and regulations made thereunder upon the Scheme becoming effective.
- 7.7 The Scheme does not in any manner alter, vary or affect the payment of any dues or outstanding amounts, including all or any of the statutory dues payable or outstanding.
- 7.8 The Scheme does not envisage transfer or vesting of any of the properties and or liabilities of the Company to any person or entity.
- 7.9 The Scheme is merely a Capital Reduction and does not involve any conveyance or transfer of any property of the Company and does not involve any issuance of shares. Consequently, the order of NCLT approving the Scheme will not attract any stamp duty.
- 7.10 The Company will comply with all relevant Accounting Policies and Accounting Standards as regards to accounting for the reduction of capital and writing off of debit balance of Profit and Loss Account. The Company will make and pass appropriate entries for all notional adjustments in a prudent and commercial accepted manner.

8. TREATMENT OF FRACTIONAL SHARES

Capital reduction shall be effected by reducing the paid up value of shares of the Company from Rs.10/- per share to Re.1/- per share, on 41,06,100 Equity Shares and to effect such reduction in Issued, Subscribed and Paid-Up Equity Share Capital, the shareholders of the Company on the record date will get 1 (One) equity shares of Re.1/- each fully paid-up against 1 Equity shares of Rs.10/- each fully paid up, therefore there will be no instance of issuance of fractional shares.

**9. THE PRE REDUCTION AND POST REDUCTION CAPITAL STRUCTURE OF THE COMPANY
IS AS UNDER:**

Particulars	Pre Reduction (Rs.)	Particulars	Post Reduction (Rs.)
Authorised Share Capital 45,00,000 Equity Shares of Rs.10/- each	4,50,00,000	Authorised Share Capital 4,50,00,000 Equity Shares of Re.1/- each	4,50,00,000
TOTAL	4,50,00,000	TOTAL	4,50,00,000
Issued Subscribed and Paid-up Capital: 41,06,100 Equity shares of Rs.10/- each	4,10,61,000	Issued Subscribed and Paid-up Capital: 41,06,100 Equity shares of Re.1/- each	41,06,100
TOTAL	4,10,61,000	TOTAL	41,06,100

**10. THE PRE REDUCTION AND POST REDUCTION SHARE HOLDING PATTERN IS AS
UNDER:**

Category of Shareholder	Number of Shares (pre reduction) of Rs. 10/- each	Pre Reduction %	Number of Shares (post reduction) of Re.1/- each	Post Reduction %
Promoter And Promoter Group	10,00,463	24.37	10,00,463	24.37
Financial institutions/Bank	0	0	0	0
Bodies Corporate	1,33,514	3.25	1,33,514	3.25

Sd/-



Individual	27,22,996	66.31	27,22,996	66.31
Any Other (OCBs, NRI)	2,49,127	6.07	2,49,127	6.07
TOTAL	41,06,100	100	41,06,100	100

11. MISCELLANEOUS

Notwithstanding the reduction of the capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words thereof.

12. MINUTE

The Form of Minute proposed to be registered under Section 66(5) of the Act and Rule 6(2) of the Rules is as follows:

"Approval is hereby accorded pursuant to Section 66 and other applicable provisions, if any, of the Companies Act, 2013, Subject to confirmation by the Court/NCLT(National Company Law Tribunal) the Special Resolution of Shareholders/Members of CHARMS INDUSTRIES LIMITED ("the Company") to be passed at the Extra-Ordinary General Meeting approving to reduce the existing Paid-Up Equity Share Capital from Rs.4,10,61,000/- divided into 41,06,100 Equity Shares of Rs.10/- each fully paid up TO Rs.41,06,100/- divided into 41,06,100 Equity Shares of Re.1/- each fully paid and upon such reduction of capital a sum, aggregating to Rs.3,69,54,900/-, be transferred to "Capital Restructuring Account" towards the capital reduction as on the date of the registration of this minute.

Further, the Company also propose to cancel the capital reserve account of Rs.31,46,530/- and the said amount of capital reserve shall be transferred to "Capital Restructuring Account".

The debit balance of Profit & Loss Account of Rs.4,01,01,430/- shall be transferred to "Capital Restructuring Account" and accordingly the "Capital Restructuring Account" shall be adjusted fully.



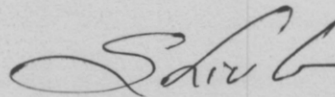

Further, as on the date of registration of this minute 41,06,100 (Forty One Lacs Six Thousands One Hundred) equity shares of Re. 1/- (Rupee One Only) each of the Company shall be deemed to have been issued, subscribed and fully paid-up share capital of the company."

13. LEGAL PROCEEDINGS

The Scheme will not affect any legal or other proceedings by or against the Company, pending or arising, but the proceedings may be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Company prior to the Scheme.

14. CONDUCT OF BUSINESS BY COMPANY

The Scheme does not involve any financial outlay or outgo, and therefore, will not affect the ability or liquidity of the Company to meet its obligations / commitments in the normal course of business. Further, this Scheme will also not in any way adversely affect the ordinary operations of the Company during the course, or after the approval, of the Scheme.



Section 3

OTHER TERMS AND CONDITIONS

15. BONUS/RIGHT SHARES

After filing the Scheme and up to the Effective Date, the Company shall not issue or allot any shares or other financial instrument by the way of bonus shares, right shares or otherwise.

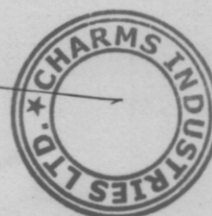
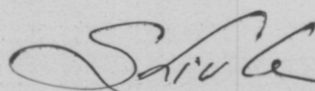
16. APPLICATIOIN TO THE TRIBUNAL

The Company shall, with all reasonable dispatch make all necessary applications to the Tribunal, for sanctioning/confirming this Scheme under Section 66 read other applicable provisions of the Companies Act, 2013.

17. MODIFICATION/AMENDMENTS TO THE SCHEME

The Company through its Board of Directors ('the Board', which term shall include Committee thereof), may consent on behalf of all persons concerned to any modification or amendments of this Scheme or to any conditions which the Tribunal and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for setting any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.

For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Company are authorized 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. CONDITIONALITY OF THE SCHEME

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

- 18.1 The requisite consent, sanctions and approvals under the applicable law of the Central Government or Stock Exchanges or any other agency, department or authorities concerned including but not limited to approvals, sanctions required under the SEBI Circular Ref, SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22,2020 issued by SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be required by law in respect of this Scheme, being obtained;
- 18.2 The requisite resolutions under the applicable provisions of the Companies Act being passed by shareholders of the Company for any of the matter provided for or relating to the Scheme as may be necessary or desirable.
- 18.3 The sanctions of the Tribunal under Section 66 of the Companies Act in favour of the Company and the necessary order being obtained.
- 18.4 Certified or authenticated copies of the Order of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies, Gujarat, at Ahmedabad by the Company.
- 18.5 The Certified or authenticated copies of the Order of the Tribunal sanctioning the Scheme and minute thereof being registered by the Registrar of Companies, Gujarat, at Ahmedabad ("RoC") and a certificate of registration of the minute of order issued by the RoC.

19. COSTS, CHARGES, TAXES AND EXPENSES

All past, present and future costs, charges, expenses, taxes, duties, levies and fees, if any, arising out of or in connection with or incidental to or incurred in carrying out and implementing the provisions of and giving effect to the Scheme shall be borne and paid by the Company and all above costs shall be treated as costs relating to the Scheme.

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20 EMPLOYEES

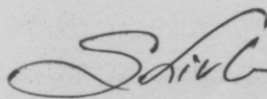
The employees of the Company shall, in no way be affected by the proposed reduction of share capital, as there is no transfer of employees under the Scheme. On the Scheme becoming effective, all the employees of the Company shall continue with their employment without any break or interruption in their services, on the same terms and conditions on which they are engaged as on the Effective Date.

21 CONTRACTS, DEEDS BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, Deeds, Bonds, Agreements and other instruments of whatever nature to which the Company is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Company as the case may be and shall be enforced as fully as effectually as before such reduction.

22 SEVERABILITY

If, in the opinion of the Board, any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of other parts or provisions of the Scheme. If any part of this Scheme here of is invalid ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future laws then such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby unless the deletion of such part shall cause this Scheme to become materially adverse, in which case the Board shall attempt to bring a suitable modification to the Scheme. The Board shall be entitled to revoke cancel and declare the Scheme to have no effect, if the Board is of the view that the Company into effect of the Scheme would have adverse implications on the Company.



23 EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

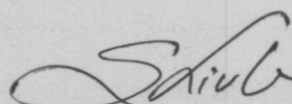

In the event of any of the said sanctions and approvals not being obtained and / or the Scheme not being sanctioned by the Tribunal or such other competent authority or within such further period or periods as may be agreed upon by Boards of Directors of the Company (and which the Boards of Directors of the Company are hereby empowered and authorized to agree to and to extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and will be null and void, save and except in respect of any act or deed done prior thereto as it contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

24 CANCELLATION OF SHARES

Upon this Scheme become effective:

24.1 All those Shareholders of the Company who continue to hold their shares in physical form as on the Record Date shall be issued and delivered fresh share certificate consequent upon the reorganization of capital irrespective of whether such Shareholders surrender their old share certificates or not. The old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value and shall be non-usable and non-tradable on any stock exchange or otherwise on and from the Record Date. The Stock Exchanges shall also be intimated, on the Record Date in this regard.

24.2 In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, if and to the extent warranted, as a consequence of the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the depository accounts of the Shareholders

25 LISTING OF SHARES

Notwithstanding the reduction of capital of the Company in pursuance of the Scheme, the listing benefit of the Company on the Stock Exchanges where the existing Equity Shares of the Company are listed shall continue and the Company will comply with the applicable provisions of the Listing Regulations and Listing Agreement with the Stock Exchanges.

