



Aarneel
Technocrafts Pvt.Ltd.

NOTICE OF MEETING OF THE UNSECURED CREDITORS OF AARNEEL TECHNO-CRAFTS PRIVATE LIMITED CONVENED PURSUANT TO THE ORDER DATED 23rd APRIL 2021 BY HON'BLE NATIONAL COMPANY LAW TRIBUNAL, INDORE BENCH, PRESENTLY AT AHMEDABAD

Day	Friday
Date	11 th June 2021
Time	11:30 am
Mode	Through Video Conferencing or Other Audio Video Means

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Works: Plot No. 16, Sector – 2, Industrial Area, Pithampur (M.P.) Ph. : 07292-252053
CIN : U74900MP2011PTC027346 PAN : AAKCA3068P

An ISO 9001:2008 Certified Company



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
INDORE BENCH, AT AHMEDABAD
C.A. (CAA)/7(MP)2021**

In the matter of the Companies Act, 2013;

AND

In the matter of Section 230 to 232 of the Companies Act 2013 and other
applicable provisions of the Companies Act 2013 and rules framed
thereunder;

AND

In the matter of Scheme of Arrangement in the nature of Amalgamation
of Aarneel Technocrafts Private Limited having CIN
U74900MP2011PTC027346 ('Transferor Company') and Ancile
Industries Private Limited having CIN U85195MP2006PTC018330
(('Transferee Company') and their respective shareholders ('Scheme')

Aarneel Technocrafts Private Limited,	}
a Company incorporated,	}
under the provisions of Companies Act, 1956	}
having its registered office at House No. 13/3,	}
Chandra Homes Rajharsh Colony,	}
Kolar Road, Bhopal – 462042, Madhya Pradesh.	}
CIN U74900MP2011PTC027346	}..Applicant Company/Transferor
	Company/ Company

FORM NO. CAA. 2

[Pursuant to Section 230(3) and Rule 6 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**NOTICE CONVENING THE MEETING OF UNSECURED CREDITORS OF THE
APPLICANT COMPANY PURSUANT TO THE ORDER DATED 23rd APRIL 2021 BY THE
NATIONAL COMPANY LAW TRIBUNAL, INDORE BENCH, PRESENTLY AT
AHMEDABAD**

**Regd. Office : House No. 13/3, Chandra Home, Rajharsh Colony, Kolar Road, Bhopal(M.P.)-462042
Works: Plot No. 16, Sector – 2, Industrial Area, Pithampur (M.P.) Ph. : 07292-252053
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To,

All the Unsecured Creditors of Aarneel Technocrafts Private Limited ('Applicant Company' or 'Transferor Company' or 'Company')

NOTICE is hereby given that by an Order ('said Order') dated 23rd April 2021, the Indore Bench, presently at Ahmedabad of the National Company Law Tribunal ('NCLT' or 'Tribunal') has directed that a meeting to be held of the Unsecured Creditors of the said Company be convened and held on Friday, 11th June 2021 at 11:30 am through Video Conferencing or Other Audio Visual Means ('VC/OAVM') for the purpose of considering, and, if thought fit, approving, with or without modification, Scheme of Arrangement in the nature of Amalgamation of Aarneel Technocrafts Private Limited with Ancile Industries Private Limited and their respective shareholders ('Scheme').

In pursuance of the said Order read with general circular issued by Ministry of Corporate Affairs ('MCA') viz. Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020 and Circular No. 39/2020 dated 31st December 2020 (collectively referred to as 'MCA Circulars'), a meeting of Unsecured Creditors of the Applicant Company will be held on Friday, 11th June 2021 at 11:30 am, through VC/OAVM.

Applicant Company has provided designated email id i.e. chanchal.jain@aarneel.com for voting through email (i.e. voting by poll) facility for the meeting of the Unsecured Creditors to consider and approve the Scheme by passing the below mentioned resolution.

The NCLT has appointed Shri Arshad Ahmed, Practicing Chartered Accountant, and in his absence, Shri Anuj Chanderia, Practicing Chartered Accountant as Chairman of the said meeting. The abovementioned Scheme, if approved at the meeting, will be subject to the subsequent approval of the Tribunal.

The Board of Directors of the Applicant Company had at their meeting held on 15th February 2021, approved the Scheme, subject to the requisite approval of the Shareholders and Creditors of the Company and sanction of the Tribunal and such other authorities as may be necessary.

In the said Tribunal convened meeting, the following business will be transacted:

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To consider and, if thought fit, approve with or without modification(s) the following Resolution under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force):

"RESOLVED THAT pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act') and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company, and subject to compliance with other applicable laws/regulations/rules and the sanction of the National Company Law Tribunal, Indore Bench, presently at Ahmedabad ('NCLT' or 'Tribunal') and/or such other competent authority, as may be applicable, and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company, the Scheme of Arrangement in the nature of Amalgamation of Aarneel Technocrafts Private Limited ('Transferor Company') with Ancile Industries Private Limited ('Transferee Company') and their respective shareholders ('the Scheme'), be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board of Directors may deem fit and proper."

TAKE FURTHER NOTICE THAT in pursuance of the said Order the meeting of the Unsecured Creditors of the Company will be held through VC/OAVM on Friday, 11th June 2021 at 11:30 am at which time the Unsecured Creditors are requested to attend.

TAKE FURTHER NOTICE THAT since the meeting is being held pursuant to NCLT Order and MCA Circulars through VC/OAVM, physical attendance of the Unsecured Creditors has been

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dispensed with. It is further informed that in view of para 3(B)(VIII) of the MCA Circular No.14/2020 dated 8th April 2020, voting through Proxy shall not be permitted. However, voting through authorised representative is permitted.

A copy of the Scheme, Notice along with Explanatory Statement and other annexures as stated in the Index are enclosed herewith. Copy of the Scheme and the said Explanatory Statement can be obtained free of charge from the Registered Office of the Applicant Company, during normal business hours (10:00 am to 6:00 pm) on all working days upto the date of the meeting except Saturdays, Sundays and Public Holidays in Madhya Pradesh. Further, the Unsecured Creditors can also request any documents referred to in the accompanying Notice and the Explanatory Statement before the meeting through email by sending the mail on chanchal.jain@aarneel.com. The same will be replied by the Company suitably.

The Notice and Explanatory Statement is also uploaded on the website of the Company (<https://www.aarneel.com>).

The Unsecured Creditors may refer to the notes to this Notice for further details on joining the meeting through VC/OAVM and for voting at such meeting.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

Sd/-

Shri Arshad Ahmed,

**Chairman appointed for
the meeting**

Dated this 4th day of May, 2021

Place: Bhopal

Registered Office:

House No. 13/3, Chandra Homes Rajharsh Colony,
Kolar Road, Bhopal – 462042, Madhya Pradesh.

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**NOTES:**

1. As per NCLT Order dated 23rd April 2021 ('Order') read with general circular issued by Ministry of Corporate Affairs ('MCA') viz. Circular No. 14/2020 dated 8th April 2020, Circular No. 17/2020 dated 13th April 2020 and Circular No. 39/2020 dated 31st December 2020 (collectively referred to as 'MCA Circulars'), meeting of the Unsecured Creditors of Applicant Company will be held through Video Conferencing/Other Audio Visual Means ('VC/OAVM') in accordance with the procedure provided under Para 3(B) of the MCA Circular No.14/2020 dated 8th April 2020.
2. The detailed procedure for participation in the meeting through VC/OAVM is provided in Note No. 15. For this purpose, the Applicant Company has opted for voting through email (voting by poll) facility and provided designated email id i.e. chanchal.jain@aarneel.com for casting the votes at the meeting of the Unsecured Creditors. The facility of the VC meeting opted and casting votes by the Unsecured Creditors using designated email id on the date of the meeting is detailed in the Note No. 15.
3. Since, the meeting is being held pursuant to Order and MCA Circulars through VC, physical attendance of the Unsecured Creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the Unsecured Creditors will not be available for the meeting.
4. However, voting through Authorised Representative is permitted. Corporate Unsecured Creditors intending to authorise their representatives to participate and vote on their behalf during the meeting are requested to send a certified copy of the Board Resolution/Authorization Letter/ Power of Attorney, atleast 48 hours before the meeting to the Applicant Company at chanchal.jain@aarneel.com from their registered email address or send the certified copy at the registered office of the Company.
5. The meeting is concluded via poll, hence it is mandatory for the Unsecured Creditors to vote using the voting through email (voting by poll) facility only, subject to compliance with the instructions for voting through email (voting by poll). The voting right may be exercised by sending the vote on the designated email id provided by the Applicant Company as above.
6. This Notice is being sent to the Unsecured Creditors whose name appear in the books of accounts as at the close of business on 31st December 2021 by e-mail mode as directed by the Hon'ble Tribunal to the Unsecured Creditors at their registered email address. Unsecured Creditors who have not registered their email addresses, physical copy is being sent by courier/ registered post at their registered addresses.

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7. The Notice and Explanatory Statement can also be availed from the company's website (<https://www.aarneel.com>).
8. The Notice convening the aforesaid meeting will be published through advertisement in in two newspaper viz. "Business Standard" in English and translation thereof in "Business Standard" in Hindi, both having circulation in Bhopal.
9. As directed by NCLT, Shri Parvesh Dhawan, Practicing Company Secretary, shall act as the Scrutinizer to scrutinize votes cast on Poll. The scrutinizer shall, immediately after and not later than 48 hours from conclusion of the meeting, make a consolidated Scrutinizer's Report of the total votes cast in favour and against the resolution and invalid votes, if any, to the Chairman of the meeting, in writing, who shall countersign the same at the meeting and submitting a report on votes cast to the Chairman of the meeting within 48 hours from the conclusion of the meeting.
10. The result of the voting shall be announced by the Chairman of the meeting in writing upon receipt of the Scrutinizer's Report. The results announced, along with the Scrutinizer's Report, shall be displayed at the Registered Office of the Applicant Company and on the website, immediately after declaration of the results.
11. The Explanatory Statement pursuant to Section 102 read with Sections 230 to 232 of the Companies Act, 2013 ('Act') and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out above is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Statutory Registers maintained by the Company will be available for inspection or for obtaining extract from or for making / obtaining copies by the Unsecured Creditors at the Registered Office of the Applicant Company during normal business hours (10:00 am to 6:00 pm) on all working days upto the date of the meeting except Saturdays, Sundays and Public Holidays in Madhya Pradesh. Further, the Unsecured Creditors can also request any documents referred to in the accompanying Notice and the Explanatory Statement before the meeting through email by sending the mail on chanchal.jain@aarneel.com. The same will be replied by the Company suitably.
12. Since the said meeting will be held through VC in accordance with the Order and MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.

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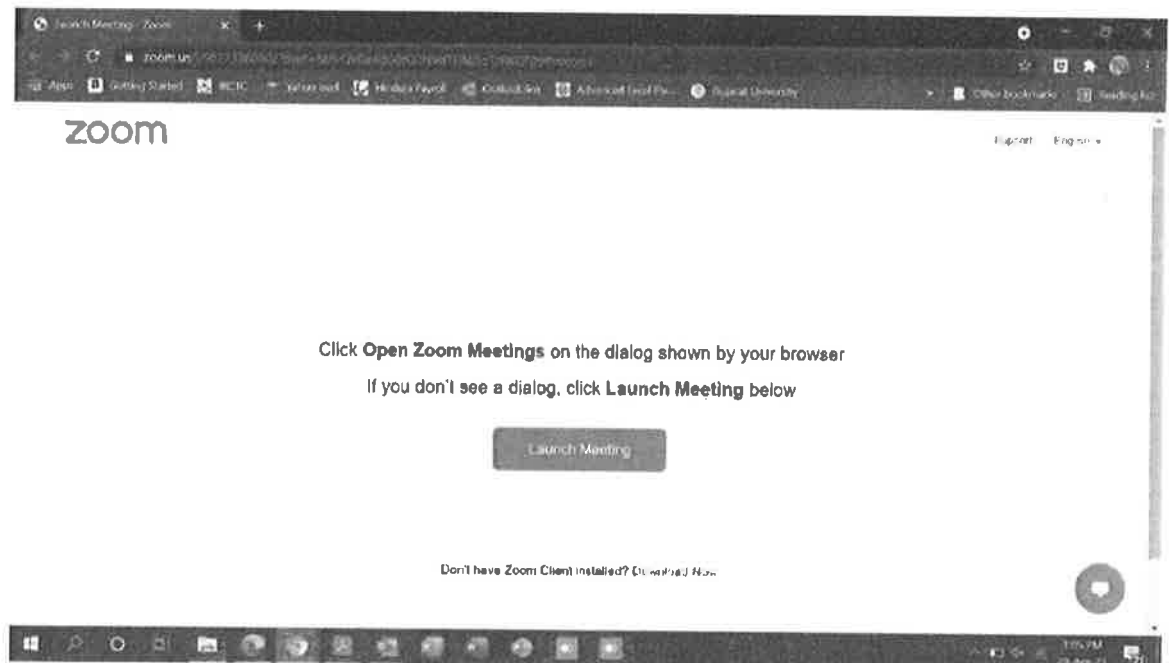


13. Since the proceedings of this meeting are being conducted through VC, the Registered Office of the Company situated at House No. 13/3, Chandra Homes Rajharsh Colony, Kolar Road, Bhopal – 462042, Madhya Pradesh is deemed to be the venue of the meeting.
14. The Unsecured Creditors attending the meeting through VC shall be counted for the purpose of reckoning the quorum.
15. Voting process and other instructions regarding voting through email (voting by poll) during the meeting and attending meeting are given below:

INSTRUCTIONS FOR THE UNSECURED CREDITORS FOR ATTENDING THE NCLT CONVENED MEETING THROUGH VC/OAVM ARE AS UNDER: -

- i. Invitation link to join the meeting is shared in the email through which this Notice is sent or in the cover letter.
- ii. Detailed instructions for the Unsecured Creditors to join the meeting are given below:

Step 1 : Click on the link received from the Company. The following window will appear once you click on the link. Click on “Launch Meeting”. Corporate Unsecured Creditors if they have already installed zoom software in their Laptop/Computer and signed in with Individual name needs to logout first and follow the other steps mentioned below.

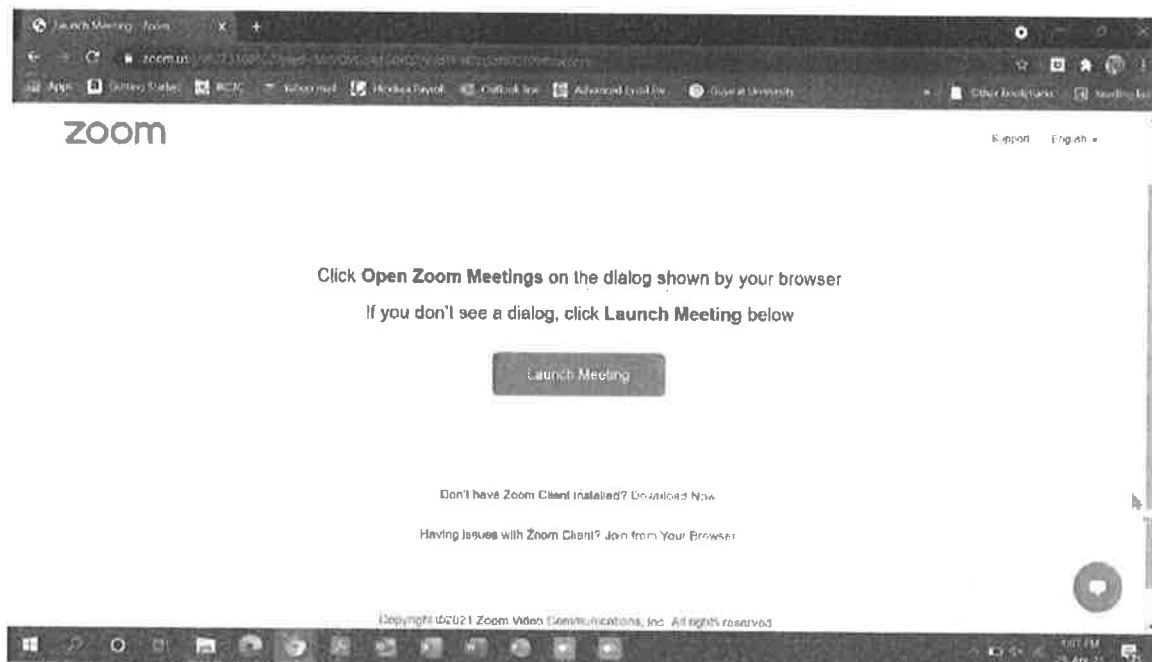


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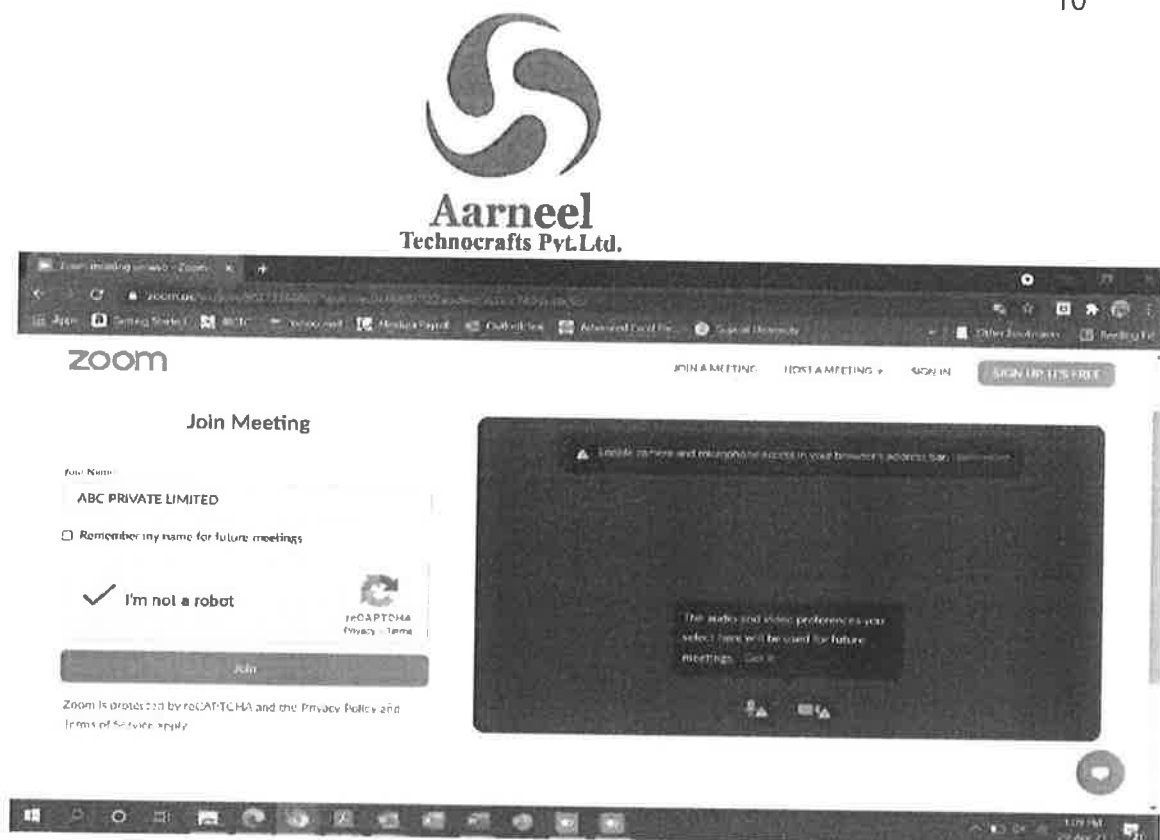
Step 2 : Either you can select “Download Now” option for the Zoom software to be installed on your Laptop or Click on “Join from the Browser”. For ease of getting connected, participants are requested to click on “Join from Browser” as can be seen in the below screenshot.



Step 3 : In case of individual Unsecured Creditor **enter your name** and in case of proprietor enter your proprietorship concern name and in case of **corporate Unsecured Creditors** (i.e. partnership firm/ company/ LLP/others) **enter** the name of Corporate Unsecured Creditors.

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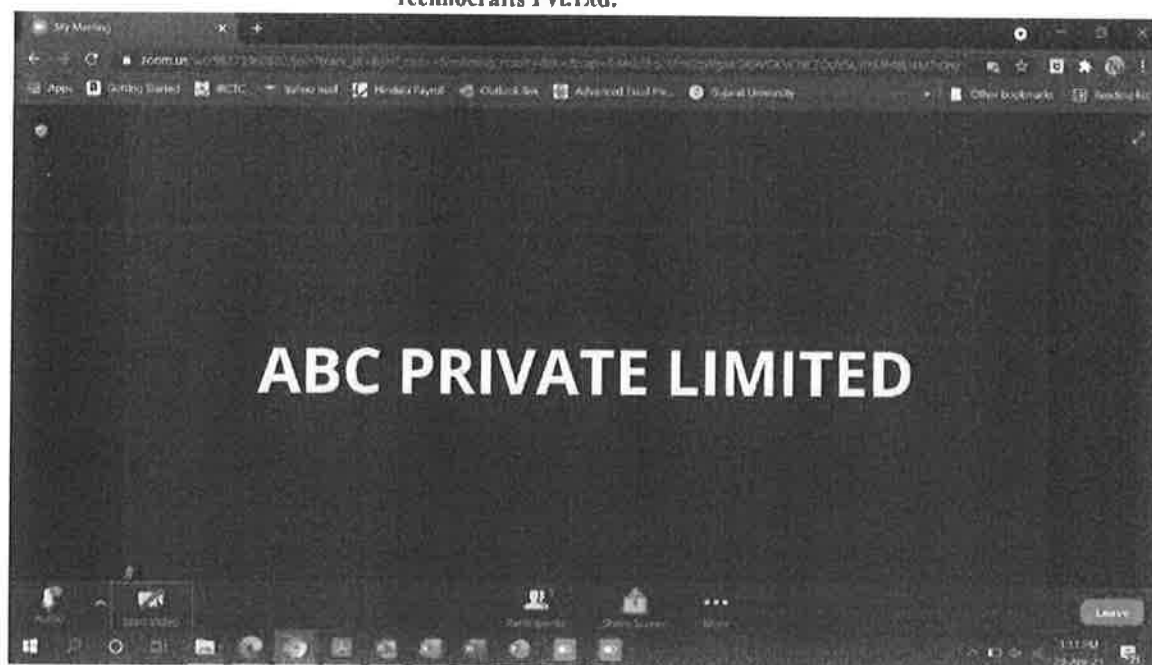
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Step 4 : The host of the meeting will admit you in the meeting so please wait till the host admits you. The Participants are requested to switch on their videos during the meeting. There is an option of “Raise Hand” which will indicate the Chairman of the meeting that the Unsecured Creditors has a query and wants to speak. All the Participants are requested to keep their mike on Mute when the meeting is going on and Unmute the same after using “Raise Hand” option and when the Chairman directs to speak.

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The Unsecured Creditors are encouraged to join the meeting through Laptops/Personal Computers for better experience. They can join from mobile also but for that Zoom application needs to be installed either from their Playstore or IOS depending on the handset used.

- iii. Further, the Unsecured Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

OTHER INSTRUCTIONS FOR THE UNSECURED CREDITORS FOR ATTENDING THE NCLT CONVENED MEETING THROUGH VC/OAVM ARE AS UNDER: -

- i. Facility of joining the meeting through VC shall open 15 minutes before the time scheduled for the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.

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- ii. The Unsecured Creditors who would like to express their views or ask questions during the meeting may raise their hands during the meeting or may also use chat facility.
- iii. Voting is conducted by the poll, the Unsecured Creditors must cast their vote by sending the vote through email from their registered email id on the designated email id provided by the Applicant Company i.e. chanchal.jain@aarneel.com.
- iv. The Unsecured Creditors are requested to use only registered email id for voting during the time allotted for same and in case of Unsecured Creditors whose email id is not registered may vote through their authorised email id. Votes casted by any other unregistered email id shall be considered as invalid.
- v. Once you confirm your vote, you will not be allowed to modify your vote.
- vi. In case of multiple votes are casted, the first one shall be counted for the purpose of counting Votes.
- vii. In case of any queries relating to joining the meeting through Electronic mode or any technical assistance to access and participate in the meeting through VC is required, or if you have any queries or issues regarding the voting through email (voting by poll) facility, you may contact Mr. Krishna Bharade, Mob :- +91-7024157495/ email id subh.bharade@gmail.com.

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
INDORE BENCH, AT AHMEDABAD
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In the matter of the Companies Act, 2013;

AND

In the matter of Section 230 to 232 of the Companies Act 2013 and other applicable provisions of the Companies Act 2013 and rules framed thereunder;

AND

In the matter of Scheme of Arrangement in the nature of Amalgamation of Aarneel Technocrafts Private Limited having CIN U74900MP2011PTC027346 ('Transferor Company') and Ancile Industries Private Limited having CIN U85195MP2006PTC018330 ('Transferee Company') and their respective shareholders ('Scheme')

Aarneel Technocrafts Private Limited,	}	
a Company incorporated,	}	
under the provisions of Companies Act, 1956	}	
having its registered office at House No. 13/3,	}	
Chandra Homes Rajharsh Colony,	}	
Kolar Road, Bhopal – 462042, Madhya Pradesh.	}	
CIN U74900MP2011PTC027346	}	..Applicant Company/Transferor Company/ Company

**EXPLANATORY STATEMENT TO THE NOTICE OF THE MEETING OF THE
UNSECURED CREDITORS OF AARNEEL TECHCRAFTS PRIVATE LIMITED UNDER
SECTION 230 AND 232 READ WITH SECTION 102 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

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1. In this statement, Aarneel Technocrafts Private Limited is referred to as '**the Transferor Company**' or '**Applicant Company**' or '**Company**' and Ancile Industries Private Limited is referred to as '**the Transferee Company**'. The other definitions contained in the Scheme of Arrangement in the nature of Amalgamation of the Transferor Company and the Transferee Company and their respective shareholders (hereinafter referred to as the "**Scheme**") will also apply to this statement under Section 230 and 232 read with Section 102 of the Companies Act, 2013 and read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Explanatory Statement**").
2. Pursuant to the Order dated 23rd April 2021 passed by the Indore Bench, presently at Ahmedabad of the National Company Law Tribunal, in the Company Scheme Application referred to hereinabove, meeting of the Unsecured Creditors of the Applicant Company, is being convened and held for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme under Section 230 to 232 of the Companies Act, 2013 ("**Act**") and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification or re-enactment or amendment thereof).
3. A copy of the Scheme setting out in detail the terms and conditions of the amalgamation, which have been approved by the Board of Directors of the Applicant Company at its meeting held on 15th February 2021 is attached to this Explanatory Statement as **Annexure A**.
4. **Background of the Companies:**
 - A. **Aarneel Technocrafts Private Limited ('Transferor Company' or 'Applicant Company' or 'Company')**
 1. The Transferor Company is incorporated as a private limited company under the Companies Act, 1956 on 26th December 2011 in the State of Madhya Pradesh under the name of 'Aarneel Technocrafts Private Limited' vide Corporate Identity Number U74900MP2011PTC027346.
 2. The registered office of the Transferor Company is situated at House No. 13/3, Chandra Homes Rajharsh Colony, Kolar Road, Bhopal – 462042, Madhya Pradesh.

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3. E-mail address of the Transferor Company is samit_holkar@yahoo.com.

4. The Permanent Account Number of the Transferor Company is AAKCA3068P.

5. The main objects of the Transferor Company as set out in the Memorandum of Association are as under: -

"1. To carry on in India or elsewhere the business of all types of engineering solutions, engineering services, product development consultancy, designer of product, material selection, manufacturer, testing, installation, sales and distribution, after sales service, researchers, developers, manufacturers, buyers, assemblers, modifiers, installers, re-conditioners, sellers, hirers, sub-lessors, market makers, dismantlers, repairers, operators, exporters, importers, distributors, and to act as an agent, broker, consignor, indenting agent, C&F agent, representative, correspondent, franchisers, stockiest, supplier, vendor, transporter, collaborator, export house, or otherwise to deal in all its branches in of automobile, engineering, agriculture, medical, automobile parts of all kinds and descriptions, automotive and other gears, transmission and other axles, universal joints, springs, leaves, head lamps, sealed beams, induction hardened pins, axels, alloy springs, accessories and fittings and heavy and light machinery especially of electrical motors, transformers, switch-gears, generators, pumping sets, blowers, implements, agriculture implements, tools, insulting material, and fabricated assemblies, and dies, jigs, fixtures, Home Appliances, toys, refrigeration and air-conditioning equipments, accessories components and spare parts.

2. To provide solutions/services relating to erection, set up establish and operate plants in India or elsewhere for the manufacturing, constructing, fabricating, assembling, selling, purchasing, hiring, importing, exporting, repairing and dealing in all kinds of bicycle and tricycle parts, automobile vehicle parts including but not limited to motorcycles, bus, truck, car, auto rickshaws and scooters, lorries, tractors, tanks, ships, submarine, aircrafts, spacecrafts, Seaplanes, rockets, wagons, rail wagons, and all other vehicles used in transports or conveyance of passengers, merchandise and good to manufacture, produce, fabricate components, parts, accessories, attachments, bodies, spare parts, appliances, tools, apparatus, and engine useful for or in connection with all kinds of vehicles. And also

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Technocrafts Pvt. Ltd.

to act as garage keepers and suppliers of and dealers in automobile parts and accessories and to undertake the job of body building for commercial and non-commercial vehicles of any makes.

3. To carry on in India or elsewhere the business as designers, researchers, developers, buyers, assemblers, modifiers, installers, re-conditioners, sellers, hirers, sub-lessors, market makers, dismantlers, repairers, operators, exporters, importers, distributors, and to act as an agent, broker, consignor, indenting agent, C&F agent, representative, correspondent, franchisers, stockiest, supplier, vendor, transporter, collaborator, export house or otherwise to deal in all its branches in sheet metal (ferrous and non-ferrous) press parts, sheet metal articles of all kinds aluminum and steel doors, windows, leavers and automatic door closers, galvanised buckets, fire buckets, bath tubs, mugs, drums, tanks, tin containers, and other articles for carrying or storing water oil and other solid or liquid materials, all kinds of steel and metal furniture, chimney copes, ridgins, ventilators, roofings, hand carts, municipal carts, and all other such articles, ceiling and table fans, electrical appliances, accessories components and spare parts.

4. To carry on the business of buy, sell, acquire/buy, lease, to give in lease rent and let in for rent acquisition, exchange, substitution and disbursement and other related activities of any and all kinds machineries and equipment, vehicles and automobiles of every kind and description, descriptions and other allied and related spares and components, etc. and any other asset in any manners and to deploy the same in any manner or otherwise to make available such equipment with or without additional services to the contractors, builders, promoters, projects, bodies corporate, individuals, firms or any other person or organization requiring such equipment, machinery, vehicles, vessels, ships, all electrical and electronic equipment and any other movable and immovable equipment and/or properties whether in India or abroad, for industrial, commercial or other uses in any part of INDIA or Abroad as may be decided by the Board of Directors from time to time."

6. Transferor Company is engaged in the business of all types of engineering solutions, engineering services, product development consultancy, designer of product, material selection, manufacturer, testing, installation, sales and distribution, after sales service, researchers,

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developers, manufacturers, buyers, assemblers, modifiers, installers, re-conditioners, sellers, hirers and sub-lessors.

7. The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 31st March 2021 is as under:

Particulars	Amount in (Rs)
Authorised Capital	
20,00,000 Equity Shares of Rs.10 each	2,00,00,000
TOTAL	2,00,00,000
Issued, Subscribed and Paid up Share Capital	
3,79,726 Equity Shares of Rs.10 each, fully paid up	37,97,260
TOTAL	37,97,260

Subsequent to 31st March 2021, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company.

8. There has been no change in the name of the Transferor Company during the last 5 years. The registered office of the Transferor Company was shifted from 63-A, Dhanvantri Nagar, Indore, Madhya Pradesh to its present registered office i.e. House No. 13/3, Chandra Homes Rajharsh Colony, Kolar Road, Bhopal – 462042, Madhya Pradesh with effect from 18th March 2016. Further, the objects have been amended during last five years as under:

- Inserted sub-clause 4 under Clause III(A) in the main objects vide special resolution passed in EGM held on 20th November, 2019; and
- Inserted sub-clause 70 under Clause III(B) in the objects incidental to the main object pursuant to special resolution passed in the EGM held on 31st December, 2020.

9. The shares of the Transferor Company are not listed on any stock exchange.
10. The Board of Directors of the Transferor Company have at their meeting held on 15th February 2021 unanimously approved the Scheme. The Directors who voted in favor of the Scheme are as follows:

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Sr. No.	Name of Director	Voted in favor/against/did not participate or vote
1.	Samit Holker	Favor
2.	Piyush Jain	Favor

11. The details of the Promoters and the present directors of the Transferor Company along with their addresses are as follows:

Sr. No.	Name	Address
Promoters		
1	Samit Holker	63-A, Dhanvantri Nagar, Near Rajendra Nagar, Indore – 45202, Madhya Pradesh
2	Piyush Jain	Opp. Petrol Pump, 47-Amaltas-Phase-I Chunna Bhatti, Kolar Road, R.S. Nagar, Bhopal - 462016, Madhya Pradesh
3	Jalpa Devi Engineering Private Limited	Plot No. 5, Inside Govind Narayan Singh Gate, Chunna Bhatti, Kolar Road, Bhopal – 462016, Madhya Pradesh
Directors		
1	Samit Holker	63-A, Dhanvantri Nagar, Near Rajendra Nagar, Indore – 45202, Madhya Pradesh
2	Piyush Jain	Opp. Petrol Pump, 47-Amaltas-Phase-I Chunna Bhatti, Kolar Road, R.S. Nagar, Bhopal - 462016, Madhya Pradesh

B. ANCILE INDUSTRIES PRIVATE LIMITED ('Transferee Company')

1. The Transferee Company was incorporated as a private limited company under the Companies Act, 1956 on 25th January 2006 in the State of Madhya Pradesh under the name of 'Shivam Medical & Research Institute Private Limited' vide Corporate Identity Number U85195MP2006PTC018330. Subsequently, the name was changed to its present name 'Ancile

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Industries Private Limited', and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Gwalior on 8th October 2020.

2. The registered office of the Transferee Company is situated at E-5/99 Arera Colony, Bhopal – 462016, Madhya Pradesh.
3. E-mail address of the Transferee Company is db@dilipbuildcon.co.in.
4. The Permanent Account Number of the Transferee Company is AAKCS2729K.
5. The main objects of the Transferee Company as set out in the Memorandum of Association are as under: -

"1. To establish, construct, erect, maintain, run, manage, develop, own, acquire, purchase, undertake, improve, equip, promote, initiate, encourage, subsidise and organize, hospitals, dispensaries, clinics, diagnostic centers, polyclinics, pathology laboratories, research centers, operation theaters, chemist shops, blood banks, eye banks, kidney banks, nursing homes, physiotherapy centers, investigation center and similar establishments for providing treatment and medical relief in all its branches by all available means to public at large on suitable fees, concessional fees or on free of charge basis and to establish, provide, encourage, maintain, conduct or subsidize research laboratories, research and development centers, experimental workshops, or such other theses, studies, theses, investigations as are necessary for scientific and technical researches, by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remunerations of scientific or technical professors or teacher and by providing or contributing to the award of scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind which is likely to assist any business which the company is authorised to carry on.

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2. *To carry on the business in India or elsewhere to produce, export, import, buy, sell, fabricate, discover, design, process, investigate, formulate, install, repair, maintain, recondition, turn to account, exchange, sponsor, distribute or otherwise to deal in all sorts of medicines, pharmaceuticals, chemicals, injections, drugs, formulations, apparatus, instruments, accessories, natural and artificial human body parts, dead bodies and other allied goods and articles.*
3. *To establish, construct, erect, build, organize, manage, undertake, promote, own, acquire, purchase, improve, equip, initiate, encourage, provide, maintain, operate, conduct, subsidise, take on lease, own and run in India or abroad diagnostic centers, scan centers, nursing homes, hospitals, clinics, polyclinics, dispensaries, chemist shops, blood banks, eye banks, kidney banks, maternity homes, child welfare and family planning centers, clinical and pathology testing laboratories, consulting chambers, X-RAY and ECG clinics, sonography centers, physiotherapy centers, polio clinics, dialysis centers, research laboratories and centers and to do all incidental acts and things necessary for the attainment of the above object and to establish education centers, and to establish education centers, colleges, training centers to provide education in the field of medical and para-medical in India or elsewhere."*
6. The Transferee Company is currently not engaged in any business activity. However, it was incorporated to carry to be engaged in the business to establish, construct, erect, maintain, run, manage, develop, own, acquire, purchase, undertake, improve, equip, promote, initiate, encourage, subsidise and organize, hospitals, dispensaries, clinics, diagnostic centers, polyclinics, pathology laboratories, research centres, operation theatres, chemist shops, blood banks, eye banks, kidney banks, nursing homes, physiotherapy centers, investigation center and other similar establishments for providing treatment and medical relief in all its branches by all available means to public at large on suitable fees, concessional fees or on free of charge basis and to establish, provide, encourage, maintain, conduct or subsidize research laboratories, research and development centers, experimental workshops, or such other theses, studies, theses, investigations as are necessary for scientific and technical researches, by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures,

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meetings and conferences and by providing or contributing to the remunerations of scientific or technical professors or teacher and by providing or contributing to the award of scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind which is likely to assist any business which the company is authorized to carry on.

7. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 31st March 2021 is as under:

Particulars	Amount (in Rs.)
Authorised Capital	
2,50,000 Equity shares of Rs. 10/- each	25,00,000
TOTAL	25,00,000
Issued, Subscribed and Paid up Share Capital	
2,50,000 Equity Shares of Rs.10 each, fully paid up	25,00,000
TOTAL	25,00,000

Subsequent to 31st March 2021, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company.

8. The Transferee Company was originally incorporated under the name and style of 'Shivam Medical & Research Institute Private Limited'. Subsequently, the name was changed to its present name 'Ancile Industries Private Limited', and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Gwalior on 8th October 2020. Further, there has been no change in the registered office and objects of the Transferee Company during the last 5 years.

9. The shares of the Transferee Company are not listed on any stock exchange.

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10. The Board of Directors of the Transferee Company have at their meeting held on 15th February 2021 unanimously approved the Scheme. The Directors who voted in favor of the Scheme are as follows:

Sr. No.	Name of Director	Voted in favor/against/did not participate or vote
1.	Bharat Singh	Favor
2.	Rajaram Shivhare	Favor

11. The details of the Promoters and the present directors of the Transferee Company along with their addresses are as follows:

Sr. No.	Name	Address
Promoters		
1	Dilip Suryavanshi	E-5/90, Arena Colony, Bhopal – 462016, Madhya Pradesh
2	Devendra Jain	E-1/101, Arena Colony, Bhopal – 462016, Madhya Pradesh
Directors		
1	Bharat Singh	E-7/788, Housing Board, Arera Colony, Bhopal – 462016, Madhya Pradesh
2	Rajaram Shivhare	G-3/136-1100 Quarters, Arera Colony, Bhopal – 462016, Madhya Pradesh

5. Relationship between the Companies:

As on the date of approval of the Scheme by the Board of Directors, the Transferor Company and Transferee Company are unrelated parties.

6. Rationale and Salient Features of the Scheme

a) Rationale for Merger:

The proposed Scheme of Arrangement in the nature of Amalgamation of the Transferor Company with the Transferee Company shall result in the following benefits, amongst others, to both the companies, their respective shareholders:

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- a) The management of Transferee Company will have the benefit of the resources of Transferor Company i.e., manpower, equipment, finances, customers, etc. Further, the proposed amalgamation will provide an opportunity to expand the business undertaken by the Transferor Company with the help of the experienced management of the Transferee Company. This will also benefit all the stakeholders;
- b) This Scheme would bring about synergy of operations for the management of the Transferee Company;
- c) Amalgamation of the Transferor Company with the Transferee Company will provide an opportunity to build a stronger sustainable business;
- d) The Transferee Company would also have a larger net worth base, and greater borrowing capacity, which would provide it a competitive edge over the others;
- e) The amalgamation, through the Scheme, shall result in bolstering the balance sheet of the Transferee Company; and
- f) Enhance the financial profile with higher growth and margin expansion.

b) Salient features of the Scheme:

1. The Scheme is presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder for Scheme of Arrangement in the nature of Amalgamation of Aarneel Technocrafts Private Limited ('Transferor Company') with Ancile Industries Private Limited ('Transferee Company') ('Scheme').
2. The Transferor Company and the Transferee Company shall, as may be required, make petitions under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification or re-enactment or amendment thereof) to the Indore Bench, presently at Ahmedabad of the National Company Law Tribunal for sanction of the Scheme and all matters ancillary or incidental thereto.
3. "Appointed Date" means the 1st day of April 2020 or such other date as may be fixed or approved by the NCLT or any other Appropriate Authority.
4. "Effective Date" means the last of the date on which the conditions specified in Clause 21 of the Scheme are fulfilled with respect to the Scheme.
5. Upon the Scheme becoming effective and in consideration of the transfer and vesting of entire business of the Transferor Company into the Transferee Company in accordance with the Scheme,

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the Transferee Company shall issue and allot to every member of Transferor Company, holding fully paid up equity shares in Transferor Company and whose names appear in the In the books of accounts of Transferor Company on the Record Date or to such of their heirs, executors, administrators or the successors-in-title in the following manner:

"93 (Ninety Three) OCRPS of the Transferee Company of face value of Rs 10/- each fully paid up, for every 100 (One Hundred) equity shares of Rs 10/- each fully paid up held in the Transferor Company"

7. The Scheme is conditional upon and subject to the following:
 - i. The Scheme being approved by requisite majority in numbers and value of such classes of persons including the shareholders and creditors of the Transferor Company and the Transferee Company, as required under the Act or as may be directed by the NCLT and/ or any other competent authority as may be applicable;
 - ii. The Scheme being sanctioned by the NCLT under Section 230 to Section 232 and all other applicable provisions of the Companies Act, 2013 and/ or any Appropriate Authority; and
 - iii. Certified Copies of the Order of the NCLT or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies having jurisdiction over the Companies.

8. The Scheme, inter-alia, provides for the following matters:
 - The transfer of the business of the Transferor Company on a going concern basis to the Transferee Company and vesting of the same in the Transferee Company;
 - The transfer of all assets, properties, permits, quotas, contracts, deeds, bonds, agreements, schemes, records, data, catalogues and other instruments of whatsoever nature of the Transferor Company to the Transferee Company;
 - The transfer of all debts, borrowings, obligations, duties and liabilities of Transferor Company to the Transferee Company;

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- The transfer of all staff, workmen and employees of the Transferor Company to the Transferee Company;
- The transfer of all tax liabilities under the relevant statutes applicable to the Transferor Company, not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date, to the Transferee Company;
- The transfer of all legal proceedings by or against the Transferor Company to the Transferee Company; and
- All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall be borne and paid as may be decided by mutual agreement between the Transferor Company and the Transferee Company.

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE UNSECURED CREDITORS OF THE TRANSFEROR COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.

9. Summary of Valuation Report including basis of valuation:

- i. Valuation Report obtained from Mr. Piyush Bindal, Registered Valuer, an independent valuer recommended share swap ratios as under:

"93 (Ninety Three) OCRPS of the Transferee Company of face value of Rs 10/- each fully paid up, for every 100 (One Hundred) equity shares of Rs 10/- each fully paid up held in the Transferor Company"

- ii. The terms of the OCRPS are given in the Annexure 1 of the Scheme.
- iii. The share swap ratio recommended by valuer is based on exercise of judicious discretion and judgment taking into account all the relevant factors.

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iv. The valuation report is available for inspection at the registered office of the Applicant Company.

v. The copy of the Valuation Report is enclosed to this notice as **Annexure C**.

10. Amounts due to unsecured creditors of the Transferor Company as on 31st December, 2020 is Rs. 50,44,01,212.

11. Effect of the Scheme on:

i. Directors and Key Managerial Personnel (KMP)

The Directors and KMP and their respective relatives of the Transferor Company and the Transferee Company may be effected only to the extent of their shareholding in the Transferor Company and / or Transferee Company, or to the extent that the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in Transferor Company and / or Transferee Company, if any. Save as aforesaid, none of the Directors / KMP of the Transferor Company and / or Transferee Company have any material interest in the Scheme.

ii. Promoter

No effect on the Promoter members of the Transferor Company and the Transferee Company as there will be no material change in the interest / shareholding of the promoters pursuant to the said Scheme.

iii. Non-Promoter Members

As there are no non promoter member in the Transferor Company and Transferee Company, the question of effect of the Scheme on the non promoter members does not arise.

iv. Creditors

The creditors of the Transferor Company will not be affected by the Scheme, since post-merger, the assets of the Transferee Company will be sufficient to discharge its liabilities.

v. Debenture Holders

None of the Transferor Company and the Transferee Company have any debenture holders. Hence, the question of effect of the Scheme on debenture holders does not arise.

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vi. Depositors, Deposit trustee and Debenture Trustee

None of the Transferor Company and the Transferee Company have any depositors, deposit trustees and debenture trustee. Hence, the question of effect of the Scheme on depositors, deposit trustees and debenture trustee does not arise.

vii. Employees

All Employees of the Transferor Company shall become the employees of the Transferee Company, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company and without any interruption of or break in service.

12. Effect of the Scheme on material interest of Directors, KMP and Debenture trustee

None of the Directors, Key Managerial Personnel and Debenture Trustee, if any, of the Transferor Company and the Transferee Company respectively have any material personal interest in the Scheme, save to the extent of shares held by the Directors in the Transferor Company and the Transferee Company, if any.

13. No investigation or proceedings under the Companies Act, 1956 / Companies Act, 2013 have been instituted/initiated or are pending in relation to the Transferor Company and the Transferee Company.
14. No winding up petition is pending against the Transferor Company and the Transferee Company.
15. The Transferor Company and the Transferee Company have made Joint Application under Section 230 read with Section 232 of the Companies Act, 2013 and rules made thereunder.
16. Following documents will be available for obtaining extract from or for making / obtaining copies of or for inspection by the Unsecured Creditors of the Company at its registered office between 10:00 a.m. to 6:00 p.m. on all working days, except Saturdays, Sundays and Public Holidays in Madhya Pradesh, up to the date of the meeting namely:
 - Audited Financial Statements of the Transferor Company and the Transferee Company as on 31st March 2020;

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- Unaudited Financial Statements of the Transferor Company and the Transferee Company as on 31st December 2020;
 - Copy of Memorandum of Association and Articles of Association of Transferor Company and Transferee Company;
 - Copy of the Order(s) of Tribunal dated 23rd April 2021 in pursuance of which the meeting is convened;
 - Copy of the Scheme of Arrangement in the nature of Amalgamation;
 - Contracts or Agreements material to the Scheme- *There are no contracts or agreements material to the Scheme;*
 - Certificate issued by the Auditor of the Transferee Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
 - Copies of the resolutions passed by the respective Board of Directors of the Transferor Company and the Transferee Company;
 - Report adopted by the Board of Directors of Applicant Company at its meeting held on 15th February 2021 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013;
 - Valuation report on recommendation of share exchange ratio dated 15th February 2021 obtained from Mr. Piyush Bindal, Registered Valuer; and
 - Such other information or documents as the Board or the management believes necessary and relevant for making decision for or against the Scheme.
17. Further, Unsecured Creditors can also request all the above documents before the meeting through email by sending the mail on chanchal.jain@aarneel.com ". The same will be replied by the Company suitably.
18. **Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:**

In compliance with the requirement of Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, a notice in the

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prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme.

19. It is confirmed that the copy of the Scheme has been filed with the Registrar of Companies, Gwalior by the Transferor Company and the Transferee Company.

20. Documents under Section 232(2) of the Companies Act, 2013

As required under Section 232(2) of the Companies Act, 2013, the following documents are being circulated with the notice and explanatory statement:

- (a) Scheme of Arrangement in the nature of Amalgamation (Annexure A);
- (b) Report adopted by the Board of Directors of the Applicant Company (Annexure B);
- (c) Valuation report on recommendation of share exchange ratio dated 15th February, 2021 obtained from Mr. Piyush Bindal, Registered Valuer (Annexure C); and
- (d) Audited Financial Statements of the Applicant Company for the year ending 31st March 2020 (Annexure D).
- (e) Unaudited Financial Statement of Applicant Company as on 31st December 2020 (Annexure E).

Sd/-

Shri Arshad Ahmed,

**Chairman appointed for
the meeting**

Dated this 4th day of May, 2021

Place: Bhopal

Registered Office:

House No.13/3, Chandra Homes Rajharsh Colony,
Kolar Road, Bhopal – 462042, Madhya Pradesh

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SCHEME OF ARRANGEMENT
IN THE NATURE OF AMALGAMATION
BETWEEN
AARNEEL TECHNOCRAFTS PRIVATE LIMITED
(Transferor Company)
AND
ANCILE INDUSTRIES PRIVATE LIMITED
(Transferee Company)
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES
ACT, 2013 AND RULES FRAMED THEREUNDER

PREAMBLE

This Scheme (*as defined hereinafter*) is presented under Sections 230 to 232 and other applicable provisions of the the Companies Act, 2013 and rules framed thereunder for amalgamation of Aarneel Technocrafts Private Limited with Ancile Industries Private Limited along with matters consequential, supplemental and/or otherwise integrally connected therewith with effect from the Appointed Date on the agreed terms and conditions as set out herein.

(A) DESCRIPTION OF COMPANIES

1. Aarneel Technocrafts Private Limited (hereinafter referred to as '**Aarneel**' or '**the Transferor Company**') is a private limited company, having Corporate Identification Number: **U74900MP2011PTC027346** incorporated on December 26, 2011 under the provisions of Companies Act, 1956. The Registered Office of Aarneel is situated at House No. 13/3, Chandra Homes Rajharsh Colony, Kolar Road, Bhopal - 462042, India in the state of Madhya Pradesh. It is engaged in the business of all types of engineering solutions, engineering services, product development consultancy, designer of product, material selection, manufacturer, testing, installation, sales and distribution, after sales service, researchers, developers, manufacturers, buyers, assemblers, modifiers, installers, re-conditioners, sellers, hirers and sub-lessors.
2. Ancile Industries Private Limited (formerly known as Shivam Medical & Research Institute Private Limited) (hereinafter referred to as '**Ancile**' or the '**Transferee Company**') is a private limited company, having Corporate Identification Number: **U85195MP2006PTC018330**, incorporated on January 25, 2006 under the provisions of Companies Act, 1956. The Registered Office of Ancile is situated at E-5/99 Arera Colony, Bhopal - 462016, India in the state of Madhya Pradesh. It was incorporated to be engaged in the business to establish, construct, erect, maintain, run, manage, develop, own, acquire, purchase, undertake, improve, equip, promote, initiate, encourage, subsidise and organize, hospitals, dispensaries, clinics, diagnostic centers, polyclinics, pathology laboratories, research centres, operation theatres, chemist shops, blood banks, eye banks, kidney banks, nursing homes, physiotherapy centers, investigation center and other similar establishments for providing treatment and medical relief in all its branches by all available means to public at large on suitable fees, concessional fees or on free of charge basis and to establish, provide, encourage, maintain, conduct or subsidize research laboratories, research and development centers, experimental workshops, or such other theses, studies, theses, investigations as are necessary for scientific and technical researches, by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remunerations of scientific or

technical professors or teacher and by providing or contributing to the award of scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind which is likely to assist any business which the company is authorized to carry on.

(B) RATIONALE FOR SCHEME OF AMALGAMATION

The proposed amalgamation between the Transferor Company and the Transferee Company shall result in the following benefits, amongst others, to both the companies, their respective shareholders:

- a) The management of Transferee Company will have the benefit of the resources of Transferor Company i.e., manpower, equipment, finances, customers, etc. Further, the proposed amalgamation will provide an opportunity to expand the business undertaken by the Transferor Company with the help of the experienced management of the Transferee Company. This will also benefit all the stakeholders;
- b) This Scheme would bring about synergy of operations for the management of the Transferee Company;
- c) Amalgamation of the Transferor Company with the Transferee Company will provide an opportunity to build a stronger sustainable business;
- d) The Transferee Company would also have a larger net worth base, and greater borrowing capacity, which would provide it a competitive edge over the others;
- e) The amalgamation, through the Scheme, shall result in bolstering the balance sheet of the Transferee Company; and
- f) Enhance the financial profile with higher growth and margin expansion.

In view of the aforesaid advantages, the Board of Directors of Transferor Company and Transferee Company have considered and proposed the Scheme under provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.

(C) OPERATION OF THE SCHEME

This Scheme provides for amalgamation of the Transferor Company as a going concern basis with the Transferee Company and the consequent issue of shares by the Transferee Company to the shareholders of the Transferor Company in the manner set out in this Scheme and other applicable provisions of Applicable Law.

(D) TREATMENT OF THE SCHEME FOR THE PURPOSE OF THE INCOME-TAX ACT, 1961

This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the Income-tax Act, 1961. If any of the terms or provisions of this Scheme is/ are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) of the Income-tax Act, 1961.

(E) PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- a) **Part I** deals with definitions of the terms used in this Scheme and sets out the share capital of the Transferor Company and the Transferee Company;
- b) **Part II** deals with the transfer and vesting of the Undertaking (*as defined hereinafter*) of the Transferor Company with Transferee Company; and
- c) **Part III** deals with the general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

PART I

1. DEFINITIONS

In this Scheme, the following words and expressions shall, unless the context requires otherwise, have the following meanings ascribed to them:

- 1.1 **“Act”** means the Companies Act, 2013 and rules and regulations made thereunder as may be applicable, including any statutory modification, re-enactments, or amendments thereof;
- 1.2 **“Applicable Law”** means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Companies; (b) permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Companies;

- 1.3 **"Appointed Date"** means 1 April 2020, or such other date as may be approved by the National Company Law Tribunal or any other Appropriate Authority;
- 1.4 **"Appropriate Authority"** means:
- a) the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
 - b) any public international organisation or supranational body and its institutions, departments, agencies, and instrumentalities; and
 - c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority over the Parties or any Party including (without limitation), the NCLT (as defined hereinafter).
- 1.5 **"Board of Directors" or "Board" or "Management"** in relation to Transferor Company and Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto;
- 1.6 **"Companies"** shall mean collectively the Transferor Company and the Transferee Company and "Company" shall mean each of them, individually;
- 1.7 **"Effective Date"** means the last of the date on which the conditions specified in Clause 21 of this Scheme are fulfilled with respect to the Scheme. References in this Scheme to the "date of coming into effect of this Scheme" or "upon the Scheme being effective" shall mean the Effective Date;
- 1.8 **"Encumbrance"** means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term "Encumber" shall be construed accordingly;

- 1.9 **"National Company Law Tribunal" or "NCLT"** means the National Company Law Tribunal, Indore Bench, presently at Ahmedabad, having jurisdiction in relation to the Transferor Company and the Transferee Company and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of NCLT to sanction the Scheme under the Act;
- 1.10 **"Record Date"** means such date as may be mutually fixed by the Board of Directors of the Transferee Company and Transferor Company or any authorized committee / person thereof for the purpose of determining the shareholders of the Transferor Company to whom shares of the Transferee Company shall be allotted pursuant to amalgamation under this Scheme;
- 1.11 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form filed with the NCLT or this Scheme with any modification(s) or amendment(s) approved or imposed or directed by the NCLT or any other Appropriate Authority;
- 1.12 **"Transferee Company" or "Ancile"** means Ancile Industries Private Limited, a private limited company, incorporated under the provisions of the Companies Act, 1956 and having its registered office at E-5/99 Arera Colony, Bhopal - 462016, India in the state of Madhya Pradesh;
- 1.13 **"Transferor Company" or "Aarneel"** means Aarneel Technocrafts Private Limited, a private limited company, incorporated under the provisions of the Companies Act, 1956 and having its registered office at House No. 13/3, Chandra Homes Rajharsh Colony, Kolar Road, Bhopal - 462042, India in the state of Madhya Pradesh; and
- 1.14 **"Undertaking"** shall mean the operations and activities and the whole of the Undertaking of the Transferor Company as a going concern, all their assets, rights, licenses, and powers, and all their debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not in any way limited to the following:
- a) All the assets and properties of the Transferor Company including, without limitation, offices, buildings, and structures, capital work-in-progress, freehold, leasehold and any other title, interests or right in such immovable assets (including land and building being held as stock in trade), furniture, fixtures, office equipment, computers, plant and machineries, equipment, interests, appliances, tools, accessories, installations, and all stocks on the Appointed Date;

- b) All investments (including shares, scripts, stocks, bonds, debentures, debenture stock, units of mutual funds and other securities), if any, including dividends declared or interest accrued thereon of the Transferor Company;
- c) All the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising pertaining to the Transferor Company; and
- d) Without prejudice to the generality of sub-clauses (a), (b) and (c) above, the Undertaking of the Transferor Company shall include:
 - i). all movable and immovable properties, reserves, assets, including leasehold rights, tenancy rights, industrial and other licenses, registrations, permits, authorisations, trademarks, patents and other industrial and intellectual properties, electrical connections, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements, pending applications and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of the Transferor Company;
 - ii). all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes of the Transferor Company;
 - iii). all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease/license agreements, joint development agreements, tenancy rights, equipment purchase agreements, and other agreements with the customers, purchase and other agreements/contracts with the supplier/manufacturer of goods/service providers and all rights, title, interests, claims and benefits thereunder of the Transferor Company;
 - iv). all application monies, advance monies, earnest monies and/or security deposits paid or deemed to have been paid and payments against other entitlements of the Transferor Company;

- v). all intellectual property rights (including applications for registrations of the same and the right to use such intellectual property rights), trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, trade secrets, confidential information, domain names, books, records, files, papers, software licenses (whether proprietary or otherwise), data, citing the credentials and work experience of the Transferor Company with various state and central development authorities including projects undertaken for National Highways Authority of India and all other records and documents, whether in physical or electronic form relating to the activities and operations of the Transferor Company;
- vi). amounts claimed by the Transferor Company whether or not recorded in the books of account of the Transferor Company from any person including Governmental authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment;
- vii). approvals of whatsoever nature (including but not limited to benefits of all tax holiday, tax relief / benefit available/ to be available to the eligible units including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted / collected at source, brought forward accumulated tax losses, unabsorbed depreciation, brought forward accumulated book losses including depreciation, Minimum Alternate Tax Credit ("MAT"), deduction under Chapter VI-A for the eligible period) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date or any other benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power, use or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company;
- viii). right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Governmental authority, and in respect of set-off, carry forward of unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961, or taxation laws of other countries, or any other or like benefits under

the said acts or under and in accordance with any law or act, whether in India or anywhere outside India; and

ix). all the employee of the Transferor Company.

All the terms, words, expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Law, rules, regulations, byelaws, as the case may be or any statutory modification or re-enactment thereof from time to time. In this Scheme, unless the context otherwise requires:

- i. the words denoting the singular shall include the plural and vice versa;
- ii. headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- iii. references to the word "include" or "including" shall be construed without limitation;
- iv. a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- v. reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- vi. word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the NCLT or made as per Clause 23 of this Scheme, as the case may be, shall have legal effect and force or be effective from the Appointed Date and shall be operative from the Effective Date.

3. SHARE CAPITAL OF THE COMPANIES

- 3.1 The authorised, issued, subscribed and paid up share capital of Aarneel as on 31 December 2020 is as under:

Particulars	Amount (in Rs)
Authorised Share Capital	
20,00,000 Equity shares of Rs. 10 each	2,00,00,000
Total	2,00,00,000

Particulars	Amount (in Rs)
Issued, subscribed and paid-up Share Capital	
3,79,726 Equity shares of Rs. 10 each	37,97,260
Total	37,97,260

There is no change in the authorised, issued, subscribed and paid up share capital of Aarneel after the aforesaid date.

- 3.2 The authorised, issued, subscribed and paid up share capital of Ancile as on 31 December 2020 is as under:

Particulars	Amount (in Rs)
Authorised Share Capital	
2,50,000 Equity shares of Rs. 10 each	25,00,000
Total	25,00,000
Issued, subscribed and paid-up Share Capital	
2,50,000 Equity shares of Rs. 10 each	25,00,000
Total	25,00,000

There is no change in the authorised, issued, subscribed and paid up share capital of Ancile after the aforesaid date.

PART II

4. TRANSFER AND VESTING OF THE UNDERTAKING OF TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

- 4.1. Upon the Scheme being effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/ or be deemed to have been and stand transferred to and vested in, the Transferee Company, on and from the Appointed Date, so as to become, the estate, assets, rights, title, interest and authorities of the Transferee Company as part of and consequent upon the amalgamation pursuant to provisions of Section 230 to 232 of the Act and all other applicable provisions of the Act and in compliance with the provisions of Section 2(1B) of the Income-tax Act, 1961;
- 4.2. Without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, tenancy rights related thereto,

and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Company, without any act or deed to be done or executed by the Transferor Company, as the case may be and/ or the Transferee Company;

- 4.3. Upon the Scheme being effective, with respect to the assets forming part of the Undertaking of the Transferor Company that are movable in nature or are otherwise capable of being transferred by manual delivery or endorsement and/ or delivery, the same shall stand transferred to and vested in, without any further act or execution of an instrument with the intent of vesting such assets in the Transferee Company as on the Appointed Date. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and/ or delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have been transferred and vested accordingly. No additional stamp duty shall be payable on the transfer of such movable properties upon its transfer and vesting in the Transferee Company;
- 4.4. With respect to the assets of the Undertaking of the Transferor Company, other than those referred to in the Clauses above, including sundry debtors, bank balances, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies or with any company or other person etc., shall, without any further act, instrument or deed, with effect from the Appointed Date, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of Section 230 to Section 232 and all other applicable provisions of the Act. It is hereby clarified that all the investments made by the Transferor Company shall, pursuant to Section 230 to Section 232 and all other applicable provisions of the Act, if any, and the provisions of this Scheme, 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;
- 4.5. For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company, and

the rights and benefits under the same, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company shall be transferred to and vested in the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. Upon the Scheme being effective, the benefit of all statutory and regulatory permissions, environmental approvals and consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company, pursuant to the Scheme, on the same terms and conditions with effect from the Appointed Date. In so far as various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any person or availed of by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions;

- 4.6. Upon the Scheme being effective and subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all times been a party thereto. Any inter-se contracts between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate upon the coming into effect of this Scheme;
- 4.7. Upon the Scheme being effective, in so far as the various incentives, tax exemption, benefits, subsidies, grants, special status, registrations and other benefits or privileges enjoyed including in respect of income-tax (including MAT), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, goods and service tax etc., granted by any Appropriate Authority, or availed of by the Transferor Company are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions with effect from the Appointed Date;
- 4.8. Upon the Scheme being effective and with effect from the Appointed Date, all income, expense, debts, liabilities, including, without limitation, all secured and unsecured debts, sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its operations and activities, shall, pursuant to the sanction of this Scheme by the NCLT and under the provisions of

Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to and vested in, or be deemed to have been transferred to and vested in, the Transferee Company and shall be assumed by the Transferee Company to the extent they are outstanding as on the Effective Date so as to become, as on and from the Appointed Date, the income, expenses, liabilities, debts, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the liabilities 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 liabilities have arisen in order to give effect to the provisions of this Clause;

- 4.9. All loans raised and utilised and all debts, liabilities, duties, and obligations incurred or undertaken by the Undertaking of the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same;
- 4.10. Upon the Scheme being effective, where any of the liabilities and obligations of the Transferor Company subsisting as on the Appointed Date or which has arisen after the Appointed Date but prior to the Effective Date, have been discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company;
- 4.11. The vesting of the Undertaking of the Transferor Company, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of Transferor Company or part thereof on or over which they are subsisting on and vesting of such assets in Transferee Company and no such Encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Any reference in any security documents or arrangements (to which Transferor Company is a party) related to any assets of Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, Transferee Company

shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits, or other financial assistance already availed of/ to be availed of by it, and the Encumbrances in respect of such indebtedness of Transferee Company shall not extend or be deemed to extend or apply to the assets so vested;

- 4.12. If and to the extent there are investments, loans, deposits, or balances inter-se between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of the Transferee Company upon the Scheme being effective. For the removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such investments, loans, deposits or balances inter-se between the Transferor Company and the Transferee Company from the Appointed Date;
- 4.13. Upon the Scheme being effective, any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, entertainment tax as applicable in any State in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State Sales Tax laws/ Value Added Tax laws, or Service Tax laws, or Goods and Service Tax laws or Corporation Tax laws, or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Transferor Company's accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for taxation / duties/ levies account including advance tax and tax deducted/collected at source as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the Transferee Company;
- 4.14. Any amount including refund under the Tax Laws due to Transferor Company consequent to the assessment proceedings or otherwise and which have not been received by the Transferor Company as on the date immediately preceding the Appointed Date shall also belong to and be receivable by the Transferee Company upon the Scheme being effective;
- 4.15. Without prejudice to the above, all benefits, including the benefits under Tax Laws, to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company upon the Scheme being effective;
- 4.16. Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the

Undertaking of the Transferor Company in accordance with the provisions of Section 230 to Section 232 and all other applicable provisions, if any, of the Act. The Transferor Company and the Transferee Company shall be jointly and severally authorized to execute any writings and/ or carry out any formalities or compliances or do any act, thing or deed in this regard;

- 4.17. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Transferor Company occurs by virtue of this Scheme, 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, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party, as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed; and
- 4.18. It is hereby clarified that if any assets (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Transferor Company cannot be transferred to the Transferee Company for any reason whatsoever, then directors of the Transferor Company shall hold such assets in trust for the benefit of the Transferee Company till such period when the transfer becomes possible.

5 STAFF, WORKMEN & EMPLOYEES

- 5.1 Upon this Scheme coming into effect and with effect from the Effective Date, the Transferee Company undertakes to engage all the employees of the Transferor Company on the terms and conditions not less favourable than those on which they are engaged by the Transferor Company without any interruption of service as a result of the amalgamation of the Transferor Company with the Transferee Company. The Transferee Company also agrees that the services of all such employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral / terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund, superannuation fund and such other fund of which they are members will be transferred to such provident fund, gratuity fund,

superannuation fund and such other fund nominated by the Transferee Company and/or such new provident fund, gratuity fund, superannuation fund, such other fund to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company, or to the government provident fund in relation to the employees of the Transferor Company who are not eligible to become members of the provident fund maintained by the Transferee Company; and

- 5.2 Pending the transfer as aforesaid, the provident fund, gratuity fund, superannuation fund and such other dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund, superannuation fund and such other fund respectively of the Transferor Company.

6 LEGAL PROCEEDINGS

- 6.1 Upon the Scheme becoming effective, any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature ("Proceedings") by or against the Transferor Company pending and/ or arising before the Effective Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company pursuant to this Scheme or by anything contained in this Scheme but the Proceedings shall be continued, prosecuted and enforced by or against the Transferee Company, as the case may be in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any Proceedings which were earlier in the name of the Transferor Company;
- 6.2 The Transferee Company undertakes to have, all respective legal or other Proceedings initiated by or against the Transferor Company, transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company, as the case may be, to the exclusion of the Transferor Company; and
- 6.3 The transfer and vesting of the Undertaking of the Transferor Company under the Scheme and the continuation of the Proceedings by or against the Transferee Company under Clause 6.1 and 6.2 above, shall not affect any transaction or Proceedings already completed by the Transferor Company on or after the Appointed Date and prior to this Scheme becoming effective to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company as acts, deeds and things being done and executed by and on behalf of the Transferee Company.

7 VALIDITY OF EXISTING RESOLUTIONS, ETC

Upon the coming into effect of this Scheme, the resolutions of the Transferor Company, as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

8 CONTRACTS, DEEDS, ETC.

- 8.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Transferor Company shall continue in full force and effect against or in favour of the Transferee Company and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto; and
- 8.2 The Transferee Company shall 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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of 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. Transferee Company shall, be deemed to be authorized to execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of Transferor Company.

9 PERMITS

With effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of Section 230 to 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vested in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become, from the Effective Date, the permits, estates, assets, rights, title, interests and authorities of the Transferee

Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws. Upon the Appointed Date and until the permits are transferred, vested, recorded, effected, and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and/ or permit and/ or approval, as the case may be, and the Transferee Company shall keep a record and/ or account of such transactions.

10 TAX CREDITS

- 10.1 The Transferee Company will be successor of the Transferor Company. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed by the Transferor Company and the obligations if any for payment of tax on any assets of the Transferor Company shall be deemed to have been availed by the Transferee Company or as the case may be deemed to be the obligations of Transferee Company. As the Scheme does not contemplate removal of any asset by the Transferee Company from the premises in which it is installed, no reversal of any tax credit needs to be made;
- 10.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/ receivable by the Transferor Company including all or any refunds/ credit including MAT/ claims relating thereto shall be treated as the asset/ liability or refunds/ credit, including MAT/ claims as the case may be, of the Transferee Company. The Transferee Company shall be entitled to get credit/ claim refund of any tax paid and/ or tax deduction at source on or after the Appointed Date by the Transferor Company; and
- 10.3 In order to give effect of this Scheme, the Transferor Company and the Transferee Company shall be entitled to, amongst others, file/ revise its income tax returns, TDS/ TCS returns, wealth tax returns, service tax, excise duty, sales tax, value added tax, goods and services tax, entry tax, cess, professional tax or any other statutory returns, if required, claim credit for advance tax paid, tax deducted at source, claim for sum prescribed under Section 43B of the Income-tax Act, 1961 on payment basis, claim for deduction of provisions written back by the Transferee Company previously disallowed in the hands of Transferor Company under the Income-tax Act, 1961, credit of tax under Section 115JB read with Section 115JAA of the Income-tax Act, 1961, credit of foreign taxes paid/ withheld etc., if any, as may be required consequent to implementation of this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty, late fee or any other sum. Transferee Company shall have the right to claim refunds, tax credits,

setoffs and/ or adjustments relating to its income or transactions entered into by it, by virtue of this Scheme with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of the Transferor Company relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Transferee Company, and accordingly the Transferee Company shall be entitled to claim credit or refund for such taxes or duties.

11 SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of this Scheme, the transfer of the Undertaking, licences, permits, registrations, memberships and approvals as specified under this Scheme and the continuance of Proceedings by or against the Transferee Company under Clause 6 above shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before the Appointed Date, or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

12 CONSIDERATION

- 12.1 Upon this Scheme becoming effective and in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot non-cumulative optionally convertible redeemable preference shares ("**OCRPS**"), credited as fully paid up, to the extent indicated below, to the shareholders of the Transferor Company whose names appear in the Register of Members of the Transferor Company on the Record Date or to such of their respective legal heirs, executors, administrators or successors or other legal representatives in title (provided that the concerned legal heirs, executors, administrators or successors shall be obliged to produce evidence of title, satisfactory to the Board of Directors of the Transferee Company) in the following ratio ("**Share Exchange Ratio**"):

"93 (Ninety Three) OCRPS of the Transferee Company of face value of Rs 10/- each fully paid up, for every 100 (One Hundred) equity shares of Rs 10/- each fully paid up held in the Transferor Company."

- 12.2 The terms of OCRPS are given in **Annexure 1** of this Scheme;
- 12.3 The OCRPS to be issued and allotted by the Transferee Company to the shareholders of the Transferor Company shall be subject to the Scheme and the provisions of the Memorandum of Association and Articles of Association of the Transferee Company

and shall rank *pari-passu* in all respects with the existing OCRPS, if any, of the Transferee Company;

- 12.4 The OCRPS to be issued pursuant to Clause above, shall be issued to the shareholders of the Transferor Company in either demat form or physical form as may be determined by the Board of Directors of Transferee Company or committee thereof in compliance with the provisions of the Applicable Laws;
- 12.5 In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of OCRPS, such fraction shall be rounded off to the nearest integer;
- 12.6 Upon issuance and allotment of OCRPS by the Transferee Company to the shareholders of the Transferor Company, the share certificates representing shares held in Transferor Company shall stand automatically cancelled/ extinguished;
- 12.7 In the event that the Companies alter their share capital, including but not limited to, by way of share split/ consolidation/ bonus/ further issue of shares in any manner whatsoever during the pendency of the Scheme, the Share Exchange Ratio as per Clause 12.1 above, shall be adjusted accordingly to take into account the effect of any such actions unless otherwise decided by the Board of Directors of the Transferor Company and the Transferee Company. It is clarified that the approval of the members of Companies to the Scheme shall be deemed to be their consent/ approval also to the adjusted Share Exchange Ratio as per this Clause;
- 12.8 Upon Scheme being effective, the Transferee Company shall, if necessary and to the extent required, increase its authorised share capital, to facilitate the issue of OCRPS under this Scheme. It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as required under Section 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. However, The Transferee Company shall immediately file the amended copies of the Memorandum and the Articles of Association with the concerned Registrar of Companies; and
- 12.9 The issue and allotment of OCRPS by the Transferee Company to the shareholders of the Transferor Company as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out under the orders passed by the NCLT without requiring any further act or deed on the part of the Transferee Company as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent/

approval for the issue and allotment of OCRPS to the shareholders of Transferor Company as provided in the Scheme as required under Sections 55 and 62 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

13 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFeree COMPANY

- 13.1 Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books in accordance with Purchase Method of Accounting as prescribed under Accounting Standard 14, as notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006, as amended from time to time;
- 13.2 All the assets and liabilities of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to this Scheme and shall be recorded by the Transferee Company at their respective fair values in such manner as may be determined by the Board of Directors of the Transferee Company;
- 13.3 The face value of the OCRPS of the Transferee Company issued and allotted to the shareholders of the Transferor Company pursuant to Clause 12 shall be credited to the share capital in the books of the Transferee Company;
- 13.4 The amount of any inter-company balances or investments, if any, between the Transferor Company and the Transferee Company, appearing in the books of accounts of the Companies, shall stand cancelled without any further act or deed and there shall be no further obligation/ outstanding in that behalf;
- 13.5 The difference (excess or deficit), between the value of Net Assets acquired by the Transferee Company and the aggregate value of OCRPS issued by the Transferee Company to the shareholders of the Transferor Company pursuant to this Scheme and after giving effect to Clause 13.4 above shall be recorded as Goodwill or Capital Reserve as per Accounting Standards 14 in the books of account of the Transferee Company. ("Net Assets" shall be computed as the value of assets less the value of liabilities of the Transferor Company as recorded in the books of the Transferee Company in terms of Clause 13.2 of the Scheme);
- 13.6 If considered appropriate for the purpose of application of uniform accounting methods and policies between the Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments in compliance with the applicable Accounting Standards as notified under Section 133 of the Companies Act, 2013 and rules made thereunder, as amended from time to time;
- 13.7 The Board of Directors of the Transferee Company, in consultation with statutory auditors, are authorized to account for any of the balances in any other manner in

compliance with the Act, if such accounting treatment is considered more appropriate; and

- 13.8 To comply with the relevant laws, the Income-tax Act, 1961 and applicable Accounting Standards, the Board of Directors of the Transferee Company may alter or modify the provisions of this Clause, as they may deem fit and consider necessary, to settle any question arising out of the Scheme.

14 DISSOLUTION OF THE TRANSFEROR COMPANY

- 14.1 On and from the Effective Date, the Transferor Company shall stand dissolved without being wound up; and
- 14.2 On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies, Gwalior.

15 OPERATIONS, ACTIVITIES AND PROPERTIES IN TRUST AND CONDUCT OF OPERATIONS FOR TRANSFEEE COMPANY

Unless otherwise stated herein under, with effect from the Appointed Date and up to and including the Effective Date:

- 15.1 The Transferor Company shall be deemed to have been carrying on and shall carry on its operations and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Undertaking of the Transferor Company for and on account of, and in trust for the Transferee Company and shall account for the same to the Transferee Company. The Transferor Company hereby undertakes to hold the said Undertaking with utmost prudence until the Effective Date;
- 15.2 Transferor Company shall carry on the business and activities, with reasonable diligence and business prudence;
- 15.3 All the surplus, income, taxes (including MAT credit, advance tax paid and tax deducted/ collected at source) or any costs, charges, expenditure, accumulated losses accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the surplus, income, taxes (including MAT credit, advance tax paid and tax deducted/ collected at source) or any costs, charges, expenditure or accumulated losses of the Transferee Company, as the case may be;
- 15.4 The Transferor Company shall not vary the terms and conditions of employment of any of their employees, without the prior consent in writing of any of the persons authorized by the Board of Directors of the Transferee Company, except in the ordinary course of business; and

- 15.5 The Transferee Company shall be entitled, pending sanction of the Scheme, to apply to the concerned authorities and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals, and sanctions which the Transferee Company may require to carry on the operations of the Transferor Company and to give effect to the Scheme.

16 APPLICATIONS TO NCLT OR OTHER APPROPRIATE AUTHORITIES

- 16.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary application under Section 230 to 232 of the Act and/ or other applicable provisions of the Act to the NCLT or such other Appropriate Authority, for seeking order for dispensing with or convening, holding and conducting of, meeting of the shareholders and/or creditors of Aarneel and Ancile as may be directed by NCLT or such other Appropriate Authority for sanction of this Scheme and all matters ancillary or incidental thereto; and
- 16.2 On the Scheme being approved by the requisite majorities of the shareholders and/ or creditors of the Transferor Company and the Transferee Company, whether at meeting or otherwise, as prescribed under the law and/ or as directed by the NCLT or such other Appropriate Authority, the Transferor Company and the Transferee Company shall, with all reasonable dispatch, apply to the NCLT or such other Appropriate Authority for sanctioning of the Scheme under Section 230 to 232 of the Act, and for such other order or orders, as the NCLT or such other Appropriate Authority may deem fit for carrying this Scheme into effect.

17 CONSOLIDATION OF AUTHORISED SHARE CAPITAL

- 17.1 Upon this Scheme becoming effective, the authorised share capital of the Transferor Company amounting to Rs 2,00,00,000/-(Rupees Two Crore Only), as mentioned in Clause 3.1 above, 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 any stamp duty or registration fees. For this purpose, the stamp duty and fees already paid on the authorised share capital of the Transferor Company shall be utilised and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any other further payment of stamp duty and/ or fee by the Transferee Company for increase in the authorised share capital to that extent. The authorised share capital of the Transferee Company will thus be increased to that effect by virtue of the Scheme becoming effective and no separate procedure shall be required to be followed under the Act;

- 17.2 The authorised share capital of the Transferor Company of Rs 2,00,00,000/- (Rupees Two Crore Only) shall be classified as 15,00,000 (Fifteen lakhs) equity shares of Rs. 10 each and 5,00,000 (Five lakhs) Non-cumulative optionally convertible redeemable preference shares of Rs. 10 each in Transferee Company. Consequent upon the amalgamation, the authorised share capital of the Transferee Company will be amended / altered / modified as under:

Authorised Share Capital	Amount (in Rs.)
17,50,000 equity shares of Rs. 10 each	1,75,00,000
5,00,000 Non-cumulative optionally convertible redeemable preference shares of Rs. 10 each	50,00,000
Total	2,25,00,000

- 17.3 Consequently, Clause V of the Memorandum of Association of the Transferee Company shall, without any act, instrument, or deed, be and stand altered, modified, and amended pursuant to applicable provisions of the Act. The revised Capital Clause of the Transferee Company shall be as under:

"The Authorised Share Capital of the Company is Rs. 2,25,00,000 (Rupees Two Crores Twenty-Five Lakhs only) divided into 17,50,000 (Seventeen Lakhs Fifty Thousand Only) Equity Shares of Rs. 10 (Rupees Ten) each and 5,00,000 (Five lakhs Only) Non-Cumulative Optionally Convertible Redeemable Preference Shares of Rs. 10 (Rupees Ten) each."

- 17.4 Further, the Transferee Company shall, if necessary and to the extent required, increase its authorised share capital, to facilitate issue of OCRPS under this Scheme, by following the requisite procedure and on payment of applicable requisite fees and duties and the resolution approving the Scheme shall be deemed to be the approval for increase in the authorised share capital of the Transferee Company; and
- 17.5 It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the consequential alteration of the Memorandum of Association of the Transferee Company under section 13, 61 and 64 of the Act and the Transferee Company shall not be required to seek separate consent/ approval of its shareholders for such alteration of the Memorandum of Association of the Transferee Company.

18. AMENDMENT OF MAIN OBJECT CLAUSE IN THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY

- 18.1 Upon the Scheme becoming effective, the Main Object Clause of Transferee Company i.e. Clause III (A) of the Memorandum of Association of the Transferee Company shall stand amended as per **Annexure 2**.
- 18.2 Upon the approval of the Scheme by the shareholders of the Transferor Company and the Transferee Company pursuant to Sections 230 to 232 of the Act, it shall be deemed that the shareholders of the Transferee Company have also resolved and accorded all relevant consents under Section 13 or any other provisions of the Act for the commencement of any business or activities currently being carried on by the Transferor Company in relation to the objects contained in the Memorandum of Association of the Transferee Company, to the extent the same may be considered applicable. In particular, the Transferee Company would be allowed to commence new business added as above upon the Scheme becoming effective. It is clarified that there will be no need to pass a separate resolution as required under Section 13 or any other provisions of the Act.

19 CHANGE OF NAME OF THE TRANSFEE COMPANY

Upon the Scheme becoming effective, the name of the Transferee Company shall, without any further act, instrument or deed, stand altered to "Aarneel Technocrafts Private Limited". Such alteration in the name of the Transferee Company shall take place as an integral part of the Scheme and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this alteration in the name of the Transferee Company. No further resolution under section 13 of the Act or any other applicable provisions of the Act or any rules framed thereunder, would be required to be separately passed. However, the Transferee Company shall file requisite eForm(s) with the Registrar of Companies and shall complete all the necessary formalities as may be required by the office of concerned Registrar of Companies for obtaining the new certificate of change of name of the Transferee Company.

PART III

20 RECONSTRUCTION OF ACCOUNTS

Upon coming into effect of this Scheme, the financial statements of the Transferor Company and the Transferee Company prepared in accordance with the provisions of the Act and rules made thereunder, as amended from time to time, as and from the Appointed Date, shall be reconstructed in accordance with and pursuant to the terms

of this Scheme and necessary impact of the same shall be provided in such financial statements of respective companies of FY 2020-21, if required.

21 SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

21.1 The Scheme is and shall be conditional upon and subject to the followings:

- a) The Scheme being approved by requisite majority in numbers and value of such classes of persons including the shareholders and creditors of the Transferor Company and the Transferee Company, as required under the Act or as may be directed by the NCLT and/ or any other competent authority as may be applicable;
- b) The Scheme being sanctioned by the NCLT under Section 230 to Section 232 and all other applicable provisions of the Act and/ or any Appropriate Authority; and
- c) Certified Copies of the Order of the NCLT or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies having jurisdiction over the Companies.

22 EFFECT OF NON-RECEIPT OF PERMITS AND MATTERS RELATING TO REVOCATION/ WITHDRAWAL OF THIS SCHEME

22.1 The Transferor Company and the Transferee Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme: (a) in case any condition or alteration imposed by any Appropriate Authority is unacceptable to any of them; or (b) they are of the view that coming into effect of this Scheme could have adverse implications on the respective Companies;

22.2 In the event of revocation/ withdrawal under Clause 22.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Company shall bear its own costs, unless otherwise mutually agreed; and

22.3 If any Clause of this Scheme is held to be invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Companies that such Clause shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such Clause shall cause this Scheme to become materially adverse to any party, in which case the Board

of Directors of the Companies involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including, but not limited to, such Clause.

23 MODIFICATIONS/ AMENDMENTS TO THE SCHEME

23.1 The Boards of the Transferee Company and the Transferor Company acting themselves or through authorized persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the NCLT or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Board of the Transferor Company and the Transferee Company and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect; and

23.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Boards of the Transferor Company and the Transferee Company acting themselves or through authorized persons may jointly but not individually, give and are jointly authorized to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. It is clarified that individual companies acting themselves or through authorized persons may individually approach the NCLT or any other Appropriate Authority to seek clarifications for implementation of the Scheme.

24 GENERAL TERMS AND CLAUSES

24.1 Upon the Scheme becoming effective, the Transferor Company and Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings, and annexures under the Tax Laws and/ or Applicable Laws to give effect to the provisions of the Scheme. In order to give effect of this Scheme, the Transferor Company and the Transferee Company shall be entitled to, amongst others, file and/ or revise its income tax returns, TDS/ TCS returns, wealth tax returns, service tax, excise duty, sales tax, value added tax, goods and services tax, entry tax, cess, professional tax or any other statutory returns, if required, claim credit for advance tax paid, tax deducted at source, claim for sum prescribed under Section 43B of the Income-tax Act, 1961 on payment basis, claim for deduction of provisions written back by Transferee Company previously disallowed in the hands of Transferor Company under the Income-tax Act, 1961, credit of tax under Section 115JB read with Section 115JAA of the Income-tax Act, 1961, credit of foreign taxes paid/ withheld etc.

if any, as may be required consequent to implementation of this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty, late fee or any other sum. Such returns shall be filed based on reconstructed accounts drawn up with effect from the Appointed Date and any tax including MAT shall be computed accordingly. Transferee Company shall have the right to claim refunds, tax credits, setoffs and/ or adjustments relating to its income or transactions entered into by it, by virtue of this Scheme with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of the Transferor Company relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Transferee Company, and accordingly the Transferee Company shall be entitled to claim credit or refund for such taxes or duties;

24.2 It is hereby clarified that submission of the Scheme to the NCLT and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles, or defences that the Transferee Company and the Transferor Company may have under or pursuant to all Applicable Law; and

24.3 On the approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company and such other classes of persons of the said Companies, if any, such shareholders, and classes of persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation, related matters and this Scheme itself.

25 COSTS, CHARGES AND EXPENSES

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or NCLT's order including this Scheme or in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne and paid as may be decided by mutual agreement between the Transferor Company and the Transferee Company.

Annexure 1: Terms of issue of OCRPS

a) Face value

The OCRPS to be issued shall have a face value of Rs. 10 (Rupees Ten) per share.

b) Conversion

The OCRPS shall be convertible at the option of the issuer (i.e. Transferee Company) at any time before the period of 3 years from the date of allotment. The OCRPS shall be converted in the following ratio:

“100 (One Hundred) Equity shares of face value of Rs 10/- each fully paid up, for every 1 (One) OCRPS of Rs 10/- each fully paid up.”

c) Coupon

The OCRPS shall subject to the provisions of the Articles of Association of the Transferee Company and the Act confer the holders thereof a right to fixed preferential dividend of 0.01% per annum in priority to the equity shares. Dividend shall be payable annually.

d) Non-Cumulative

OCRPS shall be non-cumulative i.e., in case dividend for any year is not paid due to insufficient profits then the OCRPS holder shall not have rights to claim dividend for said year in subsequent years.

e) Voting Rights

The holder of the OCRPS shall have the right to vote in general meeting of the Transferee Company in accordance with Section 47 of the Companies Act 2013.

f) Redemption

The OCRPS are redeemable on the expiry of 3 years from the date of allotment. OCRPS shall be redeemable at issue price (i.e. fair value determined by the valuer in his valuation report for deriving the swap ratio).

g) Taxation

The coupon payments received by the OCRPS holders shall be taxable under the Income-tax Act, 1961.

h) Winding-up

In the event of winding up of the Transferee Company, the holders of the OCRPS shall have a right to receive the redemption amount (face value plus premium on redemption), whether declared or not, up to the commencement of winding up, in priority to any paid up capital on the equity shares out of the surplus but shall not have any further rights to participate in the profits of the assets of the Transferee Company.

i) Variation to the terms of OCRPS

Any variation/ amendment to the terms of OCRPS can be made in accordance with section 48 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

Annexure 2: Amendment of the Main Object Clause of Transferee Company

The Clause III (A) of the Memorandum of Association of Transferee Company to be amended and substituted with the following clause:

1. To carry on in India or elsewhere the business of all types of engineering solutions, engineering services, product development consultancy, designer of product, material selection, manufacturer, testing, installation, sales and distribution, after sales service, researchers, developers, manufacturers, buyers, assemblers, modifiers, installers, re-conditioners, sellers, hirers, sub-lessors, market makers, dismantlers, repairers, operators, exporters, importers, distributors, and to act as an agent, broker, consignor, indenting agent, C&F agent, representative, correspondent, franchisers, stockiest, supplier, vendor, transporter, collaborator, export house or otherwise to deal in all its branches in of automobile, engineering, agriculture, medical, automobile parts of all kinds and descriptions, automotive and other gears, transmission and other axles, universal joints, springs, leaves, head lamps, sealed beams, induction hardened pins, axles alloy springs, accessories and fittings and heavy and light machinery especially of electrical motors, transformers, switch-gears, generators, pumping sets, blowers, implements, agriculture implements, tools, insulting material, and fabricated assemblies, and dies, jigs, fixtures, home appliances, toys, refrigeration and air-conditioning equipments, accessories components and spare parts.
2. To provide solutions/services relating to erection, set up establish and operate plants in India or elsewhere for the manufacturing, constructing, fabricating, assembling, selling, purchasing, hiring, importing, exporting, repairing and dealing in all kinds of bicycle and tricycle parts, automobile vehicle parts including but not limited to motorcycles, bus, truck car, auto rickshaws and scooters, lorries, tractors, tanks, ships, submarines, aircrafts, spacecrafts. seaplanes, rockets, wagons, rail wagons, and all other vehicles used in transport or conveyance of passengers, merchandise and goods and to manufacture, produce, fabricate components, parts, accessories, attachments, bodies, spare parts, appliances, tools, apparatus and engine useful for or in connection with all kinds of vehicles. And also to act as a garage keepers and suppliers of and dealers in automobile parts and accessories and to undertake the job of body building for commercial and non-commercial vehicles of any makes.
3. To carry on in India or elsewhere the business as designers, researchers, developers, buyers, assemblers, modifiers, installers, re-conditioners, sellers, hirers, sub-lessors, market makers, dismantlers, repairers, operators, exporters, importers, distributors, and to act as an agent, broker, consignor, indenting agent, C&F agent, representative, correspondent, franchisers, stockiest, supplier, vendor, transporter, collaborator, export

house or otherwise to deal in all its branches in sheet metal (ferrous and non-ferrous) press parts, sheet metal articles of all kinds aluminium and steel doors, windows, levers and automatic door closers, galvanised buckets, fire buckets, bath tubs, mugs, drums, tanks, tin containers and other articles for carrying or storing water oil and other solid or liquid materials, all kinds of steel and metal furniture, chimneys copes, ridgins, ventilators, roofings, hand carts, municipal carts and all other such articles, ceiling and table fans, electrical appliances, accessories components and spare parts.

4. To carry on the business of buy, sell, acquire/buy, lease, to give in lease rent and let in for rent acquisition, exchange, substitution and disbursement and other related activities of any and all kinds machineries and equipment, vehicles and automobiles of every kind and description, descriptions and other allied and related spares, components, etc. and any other asset in any manners and to deploy the same in any manner or otherwise to make available such equipment with or without additional services to the contractors, builders, promoters, projects, bodies corporate, individuals, firms or any other person or organization requiring such equipment in any manner, also to provide any kind of lease of all types of plant, equipment, machinery, vehicles, vessels, ships, all electrical and electronic equipment and any other moveable and immovable equipment and/or properties whether in India or abroad, for industrial, commercial or other uses in any part of India or Abroad as may be decided by the Board of Directors from time to time.



REPORT ADOPTED PASSED BY THE BOARD OF DIRECTORS OF AARNEEL TECHNOCRAFTS PRIVATE LIMITED ON FEBRUARY 15, 2021 EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

The Board of Directors ('Board') of Aarneel Technocrafts Private Limited ('Transferor Company' or 'Company') at its meeting held on February 15, 2021 had considered and approved the Scheme of Arrangement in the nature of Amalgamation of Aarneel Technocrafts Private Limited ('Transferor Company') with Ancile Industries Private Limited ('Transferee Company') and their respective shareholders under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder ('Scheme').

As per section 232(2)(c) of the Companies Act, 2013, a report adopted by the Board explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders is required to be circulated to the shareholders and creditors along with the notice of the meeting.

At the Board meeting, following documents were placed before the Board for their consideration:

- Scheme;
- Memorandum of Association and Articles of Association of the Transferor Company and the Transferee Company;
- Audited Financial Statements of the Transferor Company and the Transferee Company as on March 31, 2020;
- Unaudited Financial Statements of the Transferor Company and the Transferee Company as on September 30, 2020; and
- Valuation report dated February 15, 2021 from Mr. Piyush Bindal, Registered Valuer.

Based on review of the above-mentioned documents, the Board was of the opinion that:

- As a result of the proposed Scheme, equity shareholders of the Transferor Company shall be allotted non-cumulative optionally convertible redeemable preference shares ('OCRPS') in the Transferee Company in the following exchange ratio:

"93 (Ninety Three) OCRPS of the Transferee Company of face value of Rs 10/- each fully paid up, for every 100 (One Hundred) equity shares of Rs 10/- each fully paid up held in the Transferor Company."

This exchange ratio has been recommended as per the Valuation Report dated February 15, 2021, obtained from Mr. Piyush Bindal, Registered Valuer. There were no special valuation difficulties.

- As the entire undertaking of the Company shall stand transferred to the Transferee Company and the shareholders of the Company shall be allotted OCRPS in the Transferee Company, pursuant to Scheme, the rights and interest of the shareholders and/or the creditors of the Company shall not be affected and the Scheme shall also not be prejudicial to the interest of the shareholders and/or creditors of the Company.
- The objects/rationale of the proposed Scheme is as under:
 - The management of Transferee Company will have the benefit of the resources of





- Company i.e. manpower, equipment, finances, customers, etc. Further, the proposed amalgamation will provide an opportunity to expand the business undertaken by the Transferor Company with the help of the experienced management of the Transferee Company. This will also benefit all the stakeholders;
- This Scheme would bring about synergy of operations for the management of the Transferee Company;
 - Amalgamation of the Transferor Company with the Transferee Company will provide an opportunity to build a stronger sustainable business;
 - The Transferee Company would also have a larger net worth base, and greater borrowing capacity, which would provide it a competitive edge over the others;
 - The amalgamation, through the Scheme, shall result in bolstering the balance sheet of the Transferee Company; and
 - Enhance the financial profile with higher growth and margin expansion.

After taking on record the documents / confirmations referred above, the Board of the Company approved the Scheme.

Accordingly, as per Section 232(2)(c) of the Companies Act, 2013, the Board hereby takes on record the impact of the Scheme on the following stakeholders of the Company:

Effect of the Scheme on:	
(a) Equity shareholders	No Effect
(b) key managerial personnel	No Effect
(c) directors	No Effect
(d) promoters	No Effect
(e) non-promoter members	Not Applicable
(f) depositors	Not Applicable
(g) creditors	No Effect
(h) debenture holders	Not Applicable
(i) deposit trustee and debenture trustee	Not Applicable
(j) employees	No Effect

For and on behalf of the Board of Directors
Aarneel Technocrafts Private Limited


Piyush Jain
Director
DIN: 06397001



Place: Bhopal
Date: February 15, 2021

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Valuation Certificate

For

Determining the Share Exchange Ratio

Pursuant to the Scheme of Amalgamation of

AARNEEL TECHNOCRAFTS PRIVATE LIMITED

Into & With

ANCILE INDUSTRIES PRIVATE LIMITED



Prepared by:

Piyush Bindal

Registered- Valuer – Securities or Financial Assets

Registration No. IBBI/RV/03/2019/11763

S-11, 12, IInd Floor, Gurukripa Plaza,

Zone-II, M. P. Nagar, Bhopal – 462011 (MP)

E-Mail Id: bhopalrv@gmail.com





PIYUSH BINDAL
B.COM, LLB, FCS, RV

Registered Valuer – Securities or Financial Assets
Registration No. IBBI/RV/03/2019/1176

February 15, 2021

To,

The Board of Directors, Ancile Industries Private Limited CIN: U85195MP2006PTC018330 E-5/99, Arera Colony, Bhopal-462016 (MP)	The Board of Directors, Aarneel Technocrafts Private Limited CIN: U74900MP2011PTC027346 House No. 13/3, Chandra Homes, Rajharsh Colony, Kolar Road, Bhopal-462042 (MP)
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Subject: Recommendation of Share Exchange Ratio pursuant to the proposed scheme of amalgamation of Aarneel Technocrafts Private Limited into and with Ancile Industries Private Limited

Dear Sir,

We refer to our engagement letters dated February 01, 2021 whereby **Aarneel Technocrafts Private Limited** (hereinafter referred to as "Aarneel" or "Transferor Company") & **Ancile Industries Private Limited** (hereinafter referred to as "Ancile" or "Transferee Company") (hereinafter collectively referred to as "Companies") have requested me i.e. Piyush Bindal ("Valuer" or "me") for the recommendation of the Share Exchange Ratio (hereinafter referred to as "Share Exchange Ratio") for the proposed amalgamation of Aarneel into and with Ancile on a going concern basis with effect from the appointed date of April 01, 2020 or such other date as approved by the Companies or other relevant authorities pursuant to the scheme of amalgamation under Sections 230 to 232 and other applicable clauses of the Companies Act, 2013 ("Scheme" or "Amalgamation").

We hereby enclose the Report on Valuation of Shares as on the Valuation date of September 30, 2020. The valuation report is prepared in compliance with the Generally Accepted Principle of Valuation Standards as required u/s 247 of the Companies Act 2013 and Valuation Rules Notified by the Central Government, the IVSC 2017 (International Valuation Standard Council 2017).

The sole purpose of this report is to recommend the Share Exchange Ratio for the proposed amalgamation of the Companies.

While the information contained herein is believed to be accurate, no representation or warranty, expressed or implied, is or will be made no responsibility or liability will be accepted by the valuer as to or in relation to the accuracy or adequacy of information contained in this report.

In rendering the aforesaid advisory services, we reviewed and relied upon various materials / information provided by the Managements of the respective Companies. The Valuer has based his opinion on information provided and represented by the Managements of the respective Companies and did not independently verify the information provided. We have not audited, reviewed or compiled the financial information provided by the Companies and express no assurance on it. Accordingly, we take no responsibility for the underlying data presented in this report.

This report has been prepared for with a limited purpose / scope as stated in the report and will be confidential and for use only to whom it is addressed. We have no responsibility to update this report

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Share Exchange Ratio Report

By Piyush Bindal – Registered Valuer - SFA






PIYUSH BINDAL⁸⁵
B.COM, LLB, FCS, RV

Registered Valuer - Securities or Financial Assets
Registration No. IBBI/RV/03/2019/1176

for events and circumstances occurring subsequent to the date of this report. Our fees for this valuation are based upon our normal billing rates and are in no ways contingent upon the results of our findings. This report is not to be copied or made available to any person without the express written consent of Piyush Bindal, Registered Valuer - SFA.



Piyush Bindal
Registered Valuer – Securities or Financial Assets
Registration No. IBBI/RV/03/2019/11763

Date: 15.02.2021

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Share Exchange Ratio Report

By Piyush Bindal – Registered Valuer - SFA

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A. Scope & Purpose of valuation

We have been informed that the shareholders of Transferee Company intend to acquire the business of Transferor Company which is accomplished through amalgamation of Aarneel with Ancile. Accordingly, the Board of Directors of Transferor and Transferee Company(s) are considering to amalgamate Transferor Company into Transferee Company with effect from the proposed appointed date of April 01, 2020 pursuant to the draft scheme of amalgamation (the "Scheme") under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions and rules made thereunder.

The shareholders of Transferor Company will be issued non-cumulative optionally convertible redeemable preference shares ('OCRPS') as fully paid-up by Transferee Company as a consideration of proposed amalgamation once the scheme becomes effective.

The proposed amalgamation between the Transferor Company and the Transferee Company shall result in the following benefits, amongst others, to both the Companies, their respective members and creditors as indicated in the Scheme under Rationale for proposed Amalgamation:

- The management of Transferee Company will have the benefit of the resources of Transferor Company i.e. manpower, equipment, finances, customers, etc. Further, the proposed amalgamation will provide an opportunity to expand the business undertaken by the Transferor Company with the help of the experienced management of the Transferee Company. This will also benefit all the stakeholders;
- This Scheme would bring about synergy of operations for the management of the Transferee Company;
- Amalgamation of the Transferor Company with the Transferee Company will provide an opportunity to build a stronger sustainable business;
- The Transferee Company would also have a larger net worth base, and greater borrowing capacity, which would provide it a competitive edge over the others.
- The amalgamation, through the Scheme, shall result in bolstering the balance sheet of the Transferee Company; and
- Enhance the financial profile with higher growth and margin expansion.

We have been asked by the management of Transferor Company ("Transferor Company Management") and management of Transferee Company (Transferee Company Management") (together referred as 'Managements') to recommend a Share Exchange Ratio for the consideration of Board of Directors of the respective Companies as required under the provisions of the Companies Act, 2013 and other applicable provisions and rules made thereunder.

We have been informed by the Managements that the OCRPS shall be convertible at the option of the issuer at any time before the period of 3 years from the date of allotment. The OCRPS shall be converted in the ratio of "100 (One Hundred) Equity shares of face value of INRs. 10/- each fully paid up, for every 1 (One) OCRPS of INRs. 10/- each fully paid up" as indicated in the draft scheme of proposed amalgamation.

The scope of our services is to conduct a relative valuation (not an absolute valuation) of the equity shares of the Companies and recommending a Share Exchange Ratio for the proposed amalgamation.

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Share Exchange Ratio Report

By Piyush Bindal – Registered Valuer - SFA





This report is our deliverable in respect of our recommendation of the Share Exchange Ratio for the proposed amalgamation.

Our opinion is based on prevailing economic and other market conditions as at the date of this report. These conditions can change over relatively short periods of time. Any subsequent changes in these conditions could have an impact upon our opinion and we have no responsibility to update this report for events and circumstances occurring subsequent to the date of this report.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, not in parts, in conjunction with the relevant documents referred to therein.

B. Brief Background of Companies

i) Profile of Transferor Company

Aarneel Technocrafts Private Limited (the 'Transferor Company') is a private limited company, having Corporate Identification Number: U74900MP2011PTC027346 incorporated on December 26, 2011 under the provisions of Companies Act, 1956. The Registered Office of Aarneel is situated at House No. 13/3, Chandra Homes, Rajharsh Colony, Kolar Road, Bhopal-462042 India in the state of Madhya Pradesh. It is engaged in the business of all types of engineering solutions, engineering services, product development consultancy, designer of product, material selection, manufacturer, testing, installation, sales and distribution, after sales service, researchers, developers, manufacturers, buyers, assemblers, modifiers, installers, re-conditioners, sellers, hirers and sub-lessors.

ii) Profile of Transferee Company

Ancile Industries Private Limited (formerly known as Shrivam Medical & Research Institute Private Limited) (the 'Transferee Company') is a private limited company, having Corporate Identification Number: U85195MP2006PTC018330, Incorporated on January 25, 2006 under the provisions of Companies Act, 1956. The Registered Office of Ancile is situated at E-5/99, Arera Colony, Bhopal - 462016, India in the state of Madhya Pradesh.

C. Share Capital details of the Companies

i) Transferee Company

The Authorized, Issued and Subscribed equity share capital of Transferee Company as at September 30, 2020 is as under:

Particulars	Amount (in INRs)
Authorized Share Capital	
2,50,000 Equity shares of INRs. 10 each	25,00,000.00
Total	25,00,000.00
Issued, subscribed and paid-up Share Capital	
2,50,000 Equity shares of INRs. 10 each	25,00,000.00
Total	25,00,000.00

ii) Transferor Company

The Authorized, Issued and Subscribed equity share capital of Transferor Company as at September 30, 2020 is as under:

Particulars	Amount (in INRs)
Authorized Share Capital	
20,00,000 Equity shares of INRs. 10 each	2,00,00,000.00
Total	2,00,00,000.00
Issued, subscribed and paid-up Share Capital	
3,79,726 Equity shares of INRs. 10 each	37,97,260.00
Total	37,97,260.00

D. Appointing Authority & Identity of Valuer

We, Piyush Bindal, Registered Valuers – SFA have been appointed by the “Companies” or “Aarneel” & “Ancile” to recommend the Share Exchange Ratio for the proposed amalgamation of the Companies as per the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

Piyush Bindal (the “Valuer”), is Registered Valuer having Registration No. IBBI/RV/03/2019/11763. The Valuer is registered with the Insolvency and Bankruptcy Board of India to undertake the Valuation of Securities and Financial Assets of the Companies.

E. Disclosure of Valuer interest or conflict

The Valuer is suitably qualified and authorised to practice as a Valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of shares of the Companies for the particular transaction. *Although, the Valuer has a prior engagement with the Companies for rendering professional services to the Companies in the capacity of the Company Secretary in practice for making applicable compliance's and certification under the provisions of the*



Companies Act, 2013 on assignment basis since its incorporation which is unconnected with the purpose of this valuation certificate.

The fee payable for this valuation is not contingent upon the value of shares reported upon. Valuer(s) accept instructions to value the Company only from the appointing authority.

F. Date of appointment, valuation date and date of report

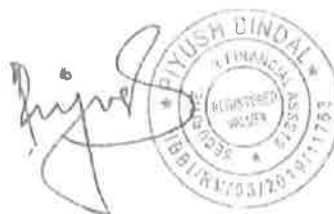
Date of appointment	February 01, 2021
Valuation date	September 30, 2020
Date of report	February 15, 2021

G. Inspections, Investigations and Sources of Information

Our expression of the opinion on the fair value of the company is supported by all procedure that we deem to be relevant. We have obtained sufficient information in accordance with IVS 201- 'Scope of Work, Analyses and Evaluation', and relied on the data, facts, information, documents and explanations as authenticated, and provided to us by the Companies and other data available in the public domain. Information relied upon for the valuation purpose is listed below.

- I. Draft Scheme of the proposed amalgamation.
- II. Brief received from the Managements about the Transferor Company and Transferee Company background.
- III. Corporate Profile of the Companies.
- IV. Management Certified Projected financial statements of the Transferor Company for the financial year 2020-21 (From October 01, 2020 to March 31, 2021) to financial year 2024-25.
- V. Provisional financial statements of Transferor Company and Transferee Company as on September 30, 2020.
- VI. Audited financial statements of the Transferor Company and Transferee Company for the financial year ended March 31, 2020, March 31, 2019 and March 31, 2018.
- VII. Management Certified List of Shareholders of the Companies.
- VIII. Latest copy of Memorandum & Articles of Association of the Companies.
- IX. Data extracted from publicly available sources believed to be reliable and true such as www.mca.gov.in to better understand and assess the value of the business.
- X. Details of the state of affairs as informed by the Companies during discussions, and other qualitative data.

Supporting data, copies of source documents and other pertinent information supporting our opinion of value are maintained in our files.



H. Procedures Adopted in carrying out the valuation and Valuation Standard followed**a. Procedures Adopted**

In connection with the exercise, we have adopted the following procedures to carry out the valuation:

- i. Requested and received financial and qualitative information.
- ii. Obtained data available at public domain.
- iii. Discussions (over call) with the Managements of both the Companies to understand the business and fundamental factors.
- iv. Undertook Industry Analysis including Research publicly available market data including economic factors and industry trends that may impact the valuation.
- v. Analysis of Financial and Qualitative Information.
- vi. Determining valuations methods and approach;
- vii. Valuation synthesis & revisiting the assumptions and decisions made;
- viii. Report preparation and its validation;

b. Valuation Standard followed: International Valuations Standards (popularly known as 'IVS').

- IVS 500 Financial Instruments
- IVS 200 Business and Business Interest
- IVS 105 Valuation Approaches and Methods
- IVS 104 Bases of Value
- IVS 103 Reporting
- IVS 102 Investigations and Compliance
- IVS 101 Scope of Work

issued by IVSC have been followed.

I. Scope, Limitations, Assumptions, Qualifications, Exclusions and Disclaimers

- The scope of our services is to conduct a relative valuation of equity shares of the Companies to recommend the Share Exchange Ratio for the proposed Amalgamation of Aarneel into Ancile.
- The report is intended only for the sole use and information of the respective Boards of the Companies and only in connection with the proposed Amalgamation including for the purpose of obtaining regulatory approvals, as required under application laws of India.
- Provision of valuation opinions and consideration of the Issues described herein are areas of our regular practices. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- The recommendation contained herein is not intended to represent value at any time other than valuation date of September 30, 2020. We have no obligation to update this report.

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Share Exchange Ratio Report

By Piyush Bindal – Registered Valuer - SFA



- The relevant information for the purpose of this valuation has been provided by the Companies. We do not make any representations or warranty, express or implied, regarding the achievability/accuracy of the forecasts and accuracy/ completeness of such other information as provided by the Companies. The information contained herein is based on the analysis of information available at the time when this report was prepared.
- This Report highlights the basis of the arriving at the Share Exchange Ratio of, identifies various factors affecting the valuation, summarizes the best valuation methodology keeping in view the circumstances prevailing at the time of valuation and arrives at the opinion on the Share Exchange Ratio, considering the facts of the case. However, it may be noted that valuation is a highly subjective exercise and may differ from valuer to valuer depending upon the perception of attendant circumstances. At best it is an expression of opinion or a recommendation based on certain assumptions at a given point of time.
- In no event shall we be liable for any loss, damage, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Companies, their directors, employees or agents. In no circumstances shall liability of Valuer relating to services provide in connection with the engagement set out in this report exceed the amount paid to us in respect of the fees charged for those services.
- Users of this report should be aware this report is based on assumptions regarding companies' earnings potential and its comparison with the peers listed companies. Therefore, the actual performances may will vary from the assumptions utilized in this report and the variations may be material.
- The Companies and its representatives warranted to us that the information they supplied was complete and accurate to the best of their knowledge and that the financial statements reflects the Company's results of operations and financial condition, unless otherwise noted. Information supplied by the Companies has been accepted as true and correct, and we express no opinion on that information. The respective Managements of the Companies have indicated to us that they understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis / results. Accordingly, we assume no responsibility for any errors in the information furnished by the Managements and their impact on the report.
- It should be noted that we have examined the Share Exchange Ratio for the proposed Amalgamation and not examined any other matter including economic rationale for the proposed Amalgamation per se or accounting, legal or tax matters involved in the proposed Amalgamation.
- We have relied upon the representation of the owners, the Companies and other third parties concerning the value and useful condition of all equipment, investment used in the business, any other assets or liabilities except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the Companies has good title to all assets.





- We have assumed that the Companies will maintain the character and integrity of the Companies through any reorganization or reduction of any owner's/manager's participation in the existing activities of the Companies.
- The various estimates of value presented in this report apply to this valuation only and may not be used out of the context presented herein. This Valuation is valid only for the purposes specified herein. This report is valid only for the effective date specified herein.
- We have presented certain information within this report, which was taken from sources including, but not limited to, financial statements, tax return and corporate history. This information has been supplied by the Companies or its representatives. The historical financial information presented within is included solely to assist in the development of the value conclusion presented in this report and it should not be used to obtain credit or for any other purpose. Because of the limited purpose of this presentation, it may be incomplete and contain departures from generally accepted accounting principles. We have not audited, reviewed or compiled this presentation and express no assurance on it. Accordingly, this report should not be constructed or referred to as an audit examination or review by Valuer.
- This report is neither an offer to sell, nor a solicitation to buy securities and/or equity in or assets of the Companies.
- This report is subject to the laws of India.

J. Valuation – Factors and Procedures

The valuation exercise is aimed at the assessment of the fair value of shares of the Companies. We are required to arrive at the above valuations based on internationally accepted valuation practices.

As per RICS appraisal Manual, the Fair Value (FV) is defined as 'The Price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.'

Ind AS (113) as well as IFRS 13 defines fair value as 'The Price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.'

K. Valuation Approaches and Methodology

Valuation of the enterprise or its equity shares is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may be even prepared to pay goodwill. This exercise may be carried out based on the generally accepted methodologies, the relative emphasis of each often varying with the factors such as:

- whether the entities are listed on a stock exchange;
- specific nature of businesses;
- life cycle in which industry and Companies are operating;
- past track record of the business and the ease with which the growth rate in cash flows to perpetuity can be estimated;
- Relevance of technology in the business model, liquidity of equity;

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Share Exchange Ratio Report

By Piyush Bindal – Registered Valuer - SFA





- extent to which industry and comparable company's information are available.

The scheme contemplates the proposed Amalgamation under Sections 230-232 of the Companies Act, 2013 and rules made thereunder to the extent possible.

Arriving at the Share Exchange Ratio for the purposes of an Amalgamation such as the proposed Amalgamation, in accordance with the IVS would require determining the relative values of each company and involved and their shares. These values are to be determined on relative basis without considering the effect of Amalgamation.

The three main approaches are the asset approach, market approach and income approach. There are several commonly used and accepted methods including those set out in IVS, within the asset approach, market approach and income approach for determining the relative fair value of equity shares, which can be considered in the present case, to the extent relevant and applicable, to arrive at the Share Exchange Ratio for the purpose of proposed Amalgamation such as:

Cost Approach

- Net Assets Value Method (NAV)

Market Approach

- Comparable Companies Multiples Method (CCM)
- Comparable Companies Transaction Method (CTM)

Income Approach

- Discounted Cash Flows Method (DCF)

The choice of valuation approach depends on the purpose of valuation and various other business specific and industry specific factors. In some cases, single valuation technique will be appropriate, whereas in others multiple valuation techniques will be appropriate. We have reviewed and analyzed above methods and their results to determine which methods would generate the most reasonable opinion on the Share Exchange Ratio value in an independent and bona fide manner.

L. Valuation Opinion

1. Cost Approach

a. Net Asset Value Method (NAV)

Under this method, total value of the business is based on sum of Net Assets Value as recorded in the Balance Sheet. NAV methodology is most applicable for the business where the value lies in the underlying assets and not the ongoing operations of the business.





A scheme of arrangement would normally be proceeded with, on the assumption that the companies would Amalgamate as the going concerns and an actual realization of the operating assets is not contemplated. The operating assets have therefore been considered at their Net Assets Values.

2. Market Approach:

a. Comparable Company Multiple Method (CCM)

Under this method, value of equity shares of a company is arrived at by using multiples derived from the valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to the valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

We have not considered this methodology in the Analysis as the Companies are not listed on the Stock Exchange and we understand that the companies in similar businesses are not comparable due to sheer difference in size. Even the data of the companies unlisted on the exchange are not comparable due to difference in size. Comparable data is not available.

b. Comparable Transaction Multiple Method (CTM)

The comparable transaction multiple method is a market-based approach. The underlying principle of this method is that the value of a company is defined in terms of what it can be sold for in a cash transaction. This same value should apply not just to the company being sold, but also to other similar companies. Therefore, a company's value may be determined based on what similar or comparable companies have recently been sold for in cash transactions. The market approach using real transactions gives the good indication of the fair value or the correct worth of a business in the marketplace.

The CTM approach has not been adopted for the purpose of our analysis as there have been no transactions in the specific sector in the recent past. Also transaction multiples may include acquirer-specific considerations such as synergy benefits, control premium and minority adjustments on which sufficient information is not available in public domain.

Hence market approach under the above two methods have been ignored completely.

3. Income Approach

a. Discounted Cash Flow Method (DCF)

The DCF Method values the asset by discounting the cash flows expected to be generated by the asset for the explicit forecast period and also the perpetuity value (terminal value) in case of assets with an indefinite life. The DCF Method is one of the most common methods for valuing various assets such as shares, businesses, real estate projects, debt instruments etc. This method involves discounting of future cash flows expected to be generated by an asset over its life using an appropriate discount rate to arrive at the present value.

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We have considered the Discounted Cash Flow Method as the method of valuation based on financial projections of Transferor Company given by the Transferor Company Management. However, we have not considered this methodology for the Transferee company since it is having no revenue from business operations. (Refer Annexure-II).

The DCF technique is one of the most rigorous approaches for valuation of business. In this technique, the projected free cash flows from business operations are discounted at the weighted average cost of capital to the providers of capital to the business, and the sum of the present value of such free cash flows is the value of the business.

This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. Under DCF, Free Cash Flow to Firm or Free Cash Flow to Equity approach is used to arrive at a Valuation of Company:

- **Free cash flow to firm (FCFF):**

This indicates the Fair value of the firm based on the value of the cash flows that the business is expected to generate in the future. All future cash flows are estimated and discounted using cost of capital to give their present values. This is a measurement of a company's profitability after all expenses and reinvestments. It's one of the benchmarks used to compare and analyse financial health.

- **Free Cash flow to equity (FCFE):**

This indicates the Fair value of the equity based on the value of the cash flows that the business is expected to generate in the future. The method involves the estimation of post-tax cash flows to equity for a projection period, after consideration of reinvestment in terms of capital expenditure, incremental working capital, and debt repayment. These cash flows are then discounted at a cost of equity that reflects the risks of business.

The projections of the Transferor Company provided by the Transferor Company Management have been used while arriving at the valuation. DCF method has been used with suitable and desirable changes.

Key assumptions and factors affecting valuation:

1. **FCFE Model:** The forecast FCF for the period from FY 2020-21 (From October 01, 2020 to March 31, 2021) to 2024-25 of Transferor Company were provided by the Transferor Company Management on a standalone basis and discounted back at computed Discount Rate.
2. **Going Concern as assumption:** We believe that the Transferor Company represents strong growth potential with no sign of default in the visible period. Accordingly, we have valued the Transferor Company as a going concern.
3. **Free Cash Flows to Firm (FCFE are calculated as):**
 - Profits after Tax as per the projections has been considered.
 - Depreciation & Amortization on fixed assets have been added.
 - Debt Funds
 - Fund requirements from incremental investments in working capital, non-currents

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investments and capital expenditure have been reduced from the cash earnings of the respective years.

- Appropriate Adjustments has been made for Debt Funds, Cash & Cash equivalents and value of investments to arrive at the equity value.

4. Discount Rate: Cost of Equity of 13.15% is taken as Discount rate, calculated using-

- Risk Free Return + (Beta x Equity Risk Premium)
- The Risk Free Rate of Return is taken as 6.015% based on 10 years Indian Government Zero Coupon Bond's Yield as at September 30, 2020 – source RBI.
- Industry Beta is considered as 1.00
- Historical Market Return (CAGR) of BSE 500 from February 01, 1999 to September 30, 2020 is 13.15%.
- Based on the Market Return, the Equity Risk Premium has been arrived at 7.14%.
- Based on the above, the Cost of Equity is determined to be 13.15%

5. Terminal Value is arrived:

- Considering the projected growth of Indian economy, as well as factors specific to the Transferor Company, terminal growth rate has been presumed 5.0% on year on year basis for beyond the projection period. In order to estimate the terminal cash flow, we have taken the net cash flow for FY 2024-25.
- As Transferor Company is growing, we have considered INRs. 22.15 Crores towards CAPEX, OPEX and other cash outflows, being the outflows of FY 2024-25 increased marginally for the terminal year.

The Value so arrived is divided by the outstanding number of equity shares as on the valuation date to arrive at the value per share.

M. Distribution of report

The Analysis is confidential and has been prepared exclusively for the Companies. It should not be used reproduced or circulated to any other person or for any purpose other than as mentioned above in whole or in part without the prior written consent of **Piyush Bindal, Registered Valuer**. Such consent will only be given after full consideration of the circumstances at the time.

N. Conclusion of Value

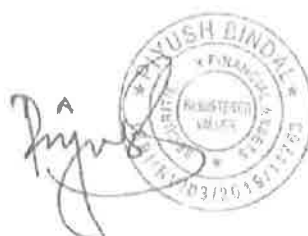
Expressing an opinion on the Share Exchange Ratio for the proposed Amalgamation of Aarneel Into and with Ancile on a going concern basis, would require determining the relative value of the equity shares of the Companies. These values are determined independently, but on a relative basis for the Valuation subject, without considering the effects of the proposed Amalgamation.

Valuation Methods under Assets Approach and Income Approach has been applied to arrive at the fair value of the shares for the purposes of recommending the Share Exchange Ratio for the shares of the Companies involved in an Amalgamation such as the proposed Amalgamation.

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Share Exchange Ratio Report

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In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgments taking into account all the relevant factors. While, we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio of the shares of the Companies. The final responsibility for the determination of the exchange ratio at which the proposed Amalgamation will take place rests with the boards of the Companies who should take into account other factors such as their own assessment of proposed Amalgamation and input of other advisors.

The Share Exchange Ratio has been arrived at on the basis of relative equity valuation of the Valuation subjects, based on the various approaches/methods explained herein earlier and various qualitative factors relevant to each Company and the business dynamics and growth potentials of the business of Valuation subjects, having regard to the information base, key underlying assumptions and limitations.

We have independently applied methods discussed above, as considered appropriate and arrived at the value of the per equity share of Ancile and Aarneel. To arrive at the consensus on the Share Exchange Ratio for the proposed Amalgamation, suitable minor adjustments / rounding off has been done.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following the Share Exchange Ratio for the proposed Amalgamation.

The Computation of the Share Exchange Ratio is tabulated below:

Valuation Approach	ANCILE (A)		AARNEEL (B)	
	Value Per Share (INR)	Weight	Value Per Share (INR)	Weight
(a) Asset Approach				
Net Asset Value Method*	8.2583	100%	754.3602	50%
(b) Market Approach				
Comparable Company Method	NA	NA	NA	NA
Comparable Transaction Method	NA	NA	NA	NA
(c) Income Approach				
Discounted Cash Flow Method**	NA	NA	783.8780	50%
Relative Value Per Equity Share	8.2583		769.1191	
Fair Equity Share Exchange Ratio (Rounded off)	93.13			
Fair OCRPS Exchange Ratio (Rounded off)	0.93			

*Refer Annexure-1 and Annexure-2 for NAV Method

**Refer Annexure-3 for DCF Method

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Explanation for Weights:

- Value derived under Cost Approach (Net Assets Value method) is given 100% weights in case of Transferee Company and 50% weights in case of Transferor Company.
- Since the Companies are not listed and we understand that there are no comparable transactions in the sector to which the Companies belongs, therefore Market Approach is fully ignored.
- Value derived under Income Approach (DCF Method) is given 50% weights in case of Transferor Company.

In light of the above, and on a consideration of all relevant factors and circumstances as discussed and outlined herein above, we recommend the following Share Exchange Ratio for the proposed Amalgamation:

Fair Equity Share Exchange Ratio

"For every 1 (One) Equity Share of INR 10.00 each held in Transferor Company, 93 (Ninety Three) Equity Shares of INR 10.00 each in Transferee Company to be issued to the equity shareholders of Transferor Company."

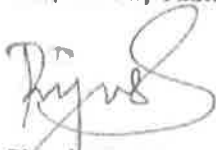
Fair OCRPS Exchange Ratio

"For every 1 (One) Equity Share of INR 10.00 each held in Transferor Company, 0.93 (Zero Point Nine Three) OCRPS of INR 10.00 each in Transferee Company to be issued to the equity shareholders of Transferor Company".

Or

"For every 100 (Hundred) Equity Shares of INR 10.00 each held in Transferor Company, 93 (Ninety Three) OCRPS of INR 10.00 each in Transferee Company to be issued to the equity shareholders of Transferor Company."

Respectfully Submitted,




Piyush Bindal
Registered Valuer – Securities or Financial Assets
Registration No. IBBI/RV/03/2019/11763

Date: 15.02.2021

Place: Bhopal

Encl. As above

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Share Exchange Ratio Report

By Piyush Bindal – Registered Valuer - SFA



Annexure-1

ANCILE INDUSTRIES PRIVATE LIMITED			
Net Asset Value Method			
Particulars		AS ON 30.09.2020	ADJUSTED NAV
Non-Current Assets			
Property, Plant & Equipment's		33,58,363.63	33,58,363.63
Capital Work in progress		0.00	0.00
Other Non-Current Assets			
Long Term Loans & Advances		0.00	0.00
Non-Current Investments		0.00	0.00
Deferred Tax Assets (Net)		0.00	0.00
Other Non-Current Assets		0.00	0.00
Current Assets			
Inventories		0.00	0.00
Trade Receivables		0.00	0.00
Cash & Cash Equivalents		21,21,633.44	21,21,633.44
Short Term Loans & Advances		0.00	0.00
Other Current Assets		0.00	0.00
Total Assets (A)		54,79,997.07	54,79,997.07
Non-Current Liabilities			
Long Term Borrowings		34,15,275.00	34,15,275.00
Deferred Tax Liabilities		0.00	0.00
Long Term Provision		0.00	0.00
Current Liabilities			
Short Term Borrowings		0.00	0.00
Trade Payables		0.00	0.00
Other Current Liabilities		141.00	141.00
Short Term Provisions		0.00	0.00
Total Liabilities (B)		34,15,416.00	34,15,416.00
Net Assets (A-B)		20,64,581.07	20,64,581.07
LESS:			
A) Contingent Liabilities			0.00
B) Minority Interest			0.00
Net Assets (Attributable to Eq. Shareholders)			20,64,581.07
Nos. of Shares			250000
Net Asset Value per Share	INR		8.2583

Annexure-2

AARNEEL TECHNOCRAFTS PRIVATE LIMITED			
Net Asset Value Method			
Particulars		AS ON 30.09.2020	ADJUSTED NAV
Non-Current Assets			
Property, Plant & Equipment's		32,82,75,616.00	32,82,75,616.00
Capital Work in progress		21,41,51,034.00	21,41,51,034.00
Other Non-Current Assets			
Long Term Loans & Advances		1,45,67,046.00	1,45,67,046.00
Non-Current Investments		0.00	0.00
Deferred Tax Assets (Net)		0.00	0.00
Other Non-Current Assets		1,63,88,725.00	1,63,88,725.00
Current Assets			
Inventories		16,38,94,947.00	16,38,94,947.00
Trade Receivables		14,81,83,384.00	14,81,83,384.00
Cash & Cash Equivalents		1,16,48,930.00	1,16,48,930.00
Short Term Loans & Advances		12,55,544.00	12,55,544.00
Other Current Assets		0.00	0.00
Total Assets (A)		89,83,65,226.00	89,83,65,226.00
Non-Current Liabilities			
Long Term Borrowings		0.00	0.00
Deferred Tax Liabilities		1,08,70,199.00	1,08,70,199.00
Long Term Provision		0.00	0.00
Current Liabilities			
Short Term Borrowings		29,21,26,452.00	29,21,26,452.00
Trade Payables		21,23,62,659.00	21,23,62,659.00
Other Current Liabilities		9,18,05,751.00	9,18,05,751.00
Short Term Provisions		0.00	0.00
Total Liabilities (B)		60,71,65,061.00	60,71,65,061.00
Net Assets (A-B)		29,12,00,165.00	29,12,00,165.00
LESS:			
A) Contingent Liabilities			47,49,972.00
B) Minority Interest			0.00
Net Assets (Attributable to Eq. Shareholders)			28,64,50,193.00
Nos. of Shares			379726
Net Asset Value per Share	INR		754.3602



Registered Valuer – Securities or Financial Assets
Registration No. IBB/RV/03/2019/1176

Annexure-III

AARNEEL TECHNOCRAFTS PRIVATE LIMITED

Income Approach – Discounted Free Cash Flow Method (DFCF) Amount in Crores

Particulars	FY 2020	01-Apr-20 30-Sep-20	01-Oct-20 31-Mar-21	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Terminal Year
Revenue from Operations	125.15	53.65	81.11	134.760	168.460	202.15	232.47	255.72	
Other income	10.03	0.24	7.86	8.10	13.87	13.87	2.00		
Total Revenue	135.18	53.89	88.97	142.86	182.33	216.02	234.47	255.72	
Less:									
Cost of goods sold	103.91	41.83	63.22	105.05	131.82	158.18	181.91	200.10	
Other Direct Costs									
Gross Profit	31.27	12.06	25.75	37.81	50.51	57.84	52.56	55.62	
Indirect Costs:									
Employee benefits expenses	5.07	1.95	3.12	5.07	5.57	6.33	6.33	6.59	
Marketing Expenses	5.32	2.59	(1.24)	1.35	5.05	6.06	6.97	7.67	
Other Overheads	9.61	4.34	4.87	9.21	14.74	14.93	4.14	2.52	
Total Indirect Costs	20.00	8.88	6.75	15.63	25.36	27.32	17.44	16.78	
EBIDTA	11.27	3.18	19.00	22.18	25.15	30.52	35.12	38.84	
Less: Depreciation	1.29	1.21	1.41	2.62	3.22	3.19	3.17	3.16	
EBIT	9.98	1.97	17.59	19.56	21.93	27.33	31.95	35.68	
Less: Interest									
Working Capital	0.89	(0.01)	1.37	1.36	1.36	1.36	1.36	1.36	
Term Loan	1.78	0.79	1.12	1.91	2.27	1.96	1.58	1.08	
EBT	7.31	1.18	15.10	16.29	18.30	24.01	29.01	33.24	
Less: Tax Expenses	1.87	0.00	4.16	4.16	4.67	6.12	7.40	8.48	
EAT	5.44	1.18	10.94	12.13	13.63	17.89	21.61	24.76	26.00

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By Piyush Bindal – Registered Valuer – SFA



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Add: Depreciation	1.29	1.21	1.41	2.62	3.22	3.19	3.17	3.16	3.16
Less: Increase in Working Capital	--	--	24.92	24.92	13.25	16.79	18.74	21.35	22.15
Less: Capital Expenditure	--	--	22.01	22.39	--	--	--	(0.00)	--
Less: Net Debt	--	--	15.86	15.86	(3.22)	(3.90)	(5.70)	(6.30)	--
Net Free Cash Flow			(50.44)	(48.42)	6.83	8.18	11.75	12.87	7.01
Fraction of Year	--	--	0.50		1.50	2.50	3.50	4.50	
Discounting factor			0.94		0.83	0.73	0.65	0.57	0.57
Discounted Free Cash Flow (DFCF)			(47.43)		5.67	6.01	7.62	7.38	4.02
Cumulative Value (Projected Period)								(20.74)	
Terminal Value									49.34



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VALUATION ON THE BASIS OF DCF

	Amount in Crores
Cumulative Value as per DCF (Projected Period)	(20.74)
Add : Terminal Value	49.34
Present Value of FCFE	28.60
Add: Other Non-Operating Assets	-
Add: Cash (As on date of Valuation)	1.16
Equity Value	29.77
No. of Shares	3,79,726.00
Value per share	783.8780

COMPUTATION OF FORECASTED FCF

The forecast FCF for the period from FY 2020-21 to 2024-25 of the Transferor Company were provided by the Transferor Company Management on a standalone basis and discounted back at computed Discount rate. Considering the projected growth of Indian economy, as well as factors specific to the Transferor Company, terminal growth rate has been presumed 0.05 (5%) on YoY basis for beyond the projection period. In order to estimate the terminal cash flow, we have taken the net cash flow for FY 2024-25.

COMPUTATION OF COST OF EQUITY (Ke)

Cost of Equity is derived as follows:

$Ke = Rf + B(erp)$ where

Ke = Cost of equity

Rf = Risk free return

erp = Equity risk premium

B (beta) = Measure of market risk

Ke = Cost of equity	13.15%	$6.14\% + (1.0 \times (18.71\%))$
Rf = Risk free return	6.015%	Based on 10 years Indian Government Zero Coupon Bond's Yield as at September 30, 2020
Rm = Market Return	13.15%	Based on Historical Market Return (CAGR) of BSE 500 from February 01, 1999 to September 30, 2020
erm = Equity Risk Premium	7.14%	Market Risk Premium
B (beta) = Measure of market risk	1.00	Market Beta

Per above calculation, the Cost of Equity (Ke) is 13.15%





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ANNEXURE D

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INDEPENDENT AUDITOR'S REPORT

To the Members of Aarneel Technocrafts Private Limited

Report on the Audit of Financial Statements

1. Opinion

We have audited the accompanying financial statements of Aarneel Technocrafts Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profits and cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Other Matter

The Financial statements of Aarneel Technocrafts Private Limited for the year ended 31st March, 2019, were audited by another auditor who expressed an unmodified opinion on those financial statements on 25th June 2019

4. Information other than the financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of our auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

5. Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

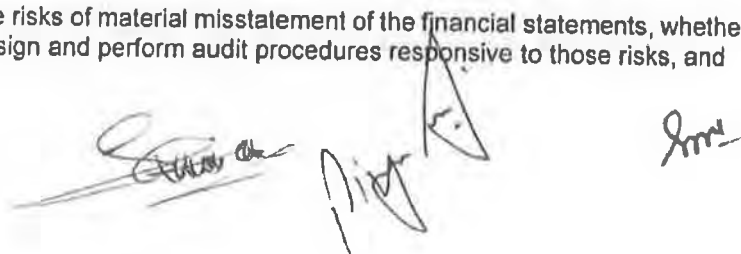
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and





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obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

7. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) As required by section 143 (3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of Financial Statements.

**MUKUND
M. CHITALE
& CO.**

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- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from directors as on 31st March 2020 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2020 from being appointed as director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the provisions of said section are not applicable to the Company for the year ended March 31, 2020;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. Details of pending litigations has been given in Note 30 of Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W


(S. M. Chitale)
Partner
M. No. 111383

UDIN : 20111383AAAAQZ5117

Place : Mumbai
Date: October 23, 2020

**MUKUND
M. CHITALE
& CO.**

**CHARTERED
ACCOUNTANTS**

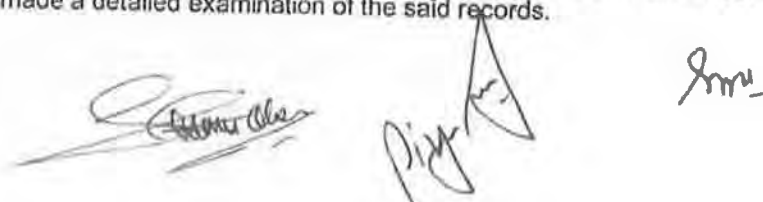
Annexure A to the Independent Auditor's Report of even date on the financial statements of Aarneel Technocrafts Private Limited

Referred to in paragraph [7(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

- i) a) The Company has maintained proper records showing full particulars, including quantitative details of fixed assets.

b) According to information and explanations given to us, fixed assets of the Company are being physically verified by the Management at intervals as defined by the management. In our opinion, the frequency of verification needs to be further improved having regard to the size of the Company and nature of its business. As informed, during the year no material discrepancies to the extent reconciled with the records available in this respect were noticed on such verifications.

c) According to the information and explanations given to us, the title deeds and lease deeds of immovable properties are in the name of the Company.
- ii) As per information and explanations given to us the inventory has been physically verified by the management subsequent to year end due to restrictions imposed amid outbreak of Covid-19. In our opinion, the frequency of verification needs to be further improved having regard to the size of the Company and nature of its business. As informed to us, the discrepancies noticed on verification to the extent reconciled with the records available in this respect between the physical stocks and the book records were not material and have been appropriately dealt with.
- iii) According to the information and explanations provided to us, the Company has not given any loan, secured or unsecured, to companies, firms or other parties as covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause (iii) (a) to (c) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations provided to us, the Company has not given any loans and not made any investments and provided any guarantees and security as specified in Section 185 and 186 of the Companies Act, 2013 and accordingly provisions of section 185 and 186 of Act are not applicable.
- v) As informed, the Company has not accepted any deposits during the year from public within the meaning of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under.
- vi) The Company is required to maintain cost records as prescribed by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of the cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed records have been maintained. We have, however, not made a detailed examination of the said records.



**MUKUND
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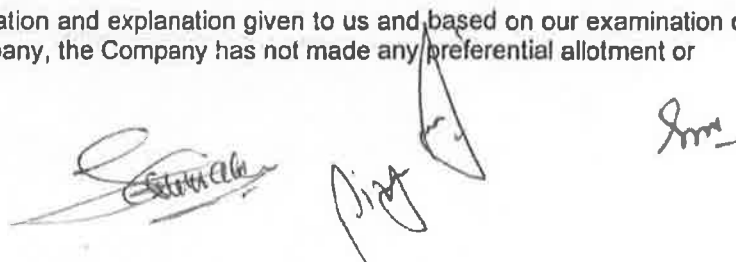
**CHARTERED
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vii) a) According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it as per the available records as far as ascertained by us on our verification. There were no undisputed amounts of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess which were due for more than six months from the date they become payable as at the year end.

b) According to the information and explanations given to us, dues in respect of Sales tax, Income tax, Custom duty, Service tax, Excise duty, and Cess that have not been deposited with the appropriate authorities on account of any dispute.

Sr No.	Particulars	Amount
1	Show Cause notice regarding dues of excise duty (refer note 30 of Financials Statements)	Rs. 47,49,972/-

- viii) According to information and explanations given to us, the Company has not defaulted in repayment of dues of loans taken from banks. The Company has not borrowed any amount from Debenture holders during the year.
- ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. The Company has used the money raised by way of term loans during the year for the purpose for which they were raised.
- x) According to the information and explanations given to us, no material fraud on the Company by its officers or employees, has been noticed and reported during the year, nor have we been informed of such case by the management.
- xi) According to the information and explanations given to us, and based on our examination of the records the Company the requirements of section 197(16) of the Act, are not applicable to the Company for the year ended March 31, 2020. Accordingly, provision of clause 3 (xi) of the order is not applicable.
- xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi Company. Accordingly, provision of clause 3 (xii) of the order is not applicable.
- xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approvals by the Board of Directors, the transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements as required by applicable accounting standard.
- xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or



**MUKUND
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& CO.**

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private placement of shares or fully or partly convertible debentures during the year, therefore provisions of Clause 3(xiv) are not applicable.

- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India At, 1934. Accordingly, provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

Chitale

(S. M. Chitale)
Partner
M. No. 111383

UDIN : 20111383AAAAQZ5117

Place : Mumbai
Date: October 23, 2020

[Signature]

[Signature]



**CHARTERED
ACCOUNTANTS**

Annexure B to the Independent Auditor's Report of even date on the financial statements of Aarneel Technocrafts Private Limited

Referred to in paragraph [7(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Aarneel Technocrafts Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

**MUKUND
M. CHITALE
& CO.**

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ACCOUNTANTS**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

4. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

5. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn. No. 106655W

Chitale

(S. M. Chitale)
Partner
M. No. 111383

UDIN : 20111383AAAAQZ5117

Place : Mumbai
Date: October 23, 2020

[Signature]

[Signature]

BALANCE SHEET AS AT 31ST MARCH 2020

					(Rs.)
	Particulars	Note No.	31.03.2020	31.03.2019	
I	EQUITY AND LIABILITIES				
(1)	Shareholders' Funds				
	(a) Share Capital	3	37,97,260	37,97,260	
	(b) Reserves and Surplus	4	27,55,72,281	22,10,33,867	
(2)	Share application money pending allotment				
(3)	Non-current liabilities				
	(a) Long-term borrowings				
	(b) Deferred Tax Liabilities (Net)	19	1,08,70,198	94,86,661	
	(c) Other Long Term Liabilities	5	2,70,21,080		
	(d) Long-Term Provisions	6	56,71,735		
(4)	Current Liabilities				
	(a) Short-term borrowings	7	34,14,12,290	32,81,76,024	
	(b) Trade Payables	8			
	(i) Total outstanding dues of micro and small enterprises				
	(ii) Total outstanding dues of other than micro and small enterprises		17,34,27,042	8,09,29,985	
	(c) Other Current Liabilities	9	2,96,57,315	1,02,66,229	
	(d) Short-Term Provisions	10	1,60,651	5,09,74,413	
	TOTAL		86,75,89,852	70,46,64,439	
II	ASSETS				
(1)	Non-current assets				
	(a) Property, Plant & Equipment	11			
	(i) Tangible Assets		33,59,99,721	17,77,28,525	
	(ii) Intangible Assets		5,83,873	51,927	
	(iii) Capital Work In Progress		19,37,44,628	2,85,54,903	
	(b) Non-Current Investments				
	(c) Deferred Tax Assets (Net)				
	(c) Long-term Loans and Advances	12	1,45,43,853		
	(d) Other Non-Current Assets	13	1,65,16,774	3,54,650	
(2)	Current assets				
	(a) Current Investments				
	(b) Inventories	14	21,18,91,256	12,35,07,546	
	(c) Trade Receivables	15	6,79,27,797	26,97,90,733	
	(d) Cash and Cash Equivalents	16	13,70,120	6,04,96,141	
	(e) Short-Term Loans and Advances	17	2,27,80,312	4,41,80,014	
	(f) Other Current Assets	18	22,31,518		
	TOTAL		86,75,89,852	70,46,64,439	

The Notes to Account forms integral part of Financial Statements

1 to 40

As per our Report of even date

For MUKUND M CHITALE & CO.
Chartered Accountants
Firm Regn. No. 106655W

S. M. Chitale

S. M. Chitale
Partner
M.No. 111383

Place: Mumbai
Date: 23-10-2020



For and on behalf of the Board

Samit Holker

Samit Holker
Director

DIN : 05127148
Place: Bhopal
Date: 23-10-2020

Piyush Jain
Piyush Jain
Director

DIN : 06397001



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

		(Rs.)		
	Particulars	Note No.	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
I.	Revenue from Operations	20	1,35,05,16,445	2,17,77,04,698
II	Other Income	21	13,15,685	10,32,461
III	Total Revenue (I+II)		1,35,18,32,130	2,17,87,37,159
IV	Expenses			
	Cost of Materials Consumed	22	76,88,88,630	1,49,30,02,890
	Purchase of stock in trade	23	24,73,31,111	12,38,88,510
	Changes in Inventories of Finished Goods, Work In Progress And Stock In Trade	24	(2,53,73,584)	(2,94,11,102)
	Employee Benefits Expense	25	5,06,67,118	3,33,21,286
	Finance Costs	26	2,66,25,857	5,38,80,294
	Depreciation and Amortisation	27	1,28,52,890	1,19,76,711
	Other Expenses	28	19,76,02,682	21,01,77,526
	Total Expenses		1,27,85,94,704	1,89,68,36,115
V	Profit / (loss) before Exceptional and Extraordinary items and tax (III-IV)		7,32,37,426	28,19,01,043
VI	Tax Expenses			
	(I) Current Tax		1,73,15,475	8,01,42,479
	(II) Tax Expense of Earlier Years		-	4,08,390
	(III) Deferred Tax charge/(credit)		13,83,537	10,35,366
			1,86,99,013	8,15,86,235
VII	Profit for the year from continuing operations carried forward to Balance Sheet (V - VII)		5,45,38,414	20,03,14,807
	Basic & Diluted Earnings per Equity Share in Rs. (Face Value of Rs. 10/- per Equity Share)	29	143.63	551.04

The Notes to Account forms integral part of Financial Statements

1 to 40

As per our Report of even date

For and on behalf of the Board

For MUKUND M CHITALE & CO.
Chartered Accountants
Firm Regn. No. 106655W



S. M. Chitale
Partner
M.No. 111383

Place: Mumbai
Date : 23-10-2020




Samit Holker
Director

DIN : 05127148

Place: Bhopal

Date : 23-10-2020



Piyush Jain
Director

DIN : 06397001



Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	7,32,37,426	28,19,01,043
Adjustments for:		
Depreciation and Amortisation	1,28,52,890	1,19,76,711
Finance Cost	2,66,25,857	5,38,80,294
	3,94,78,747	6,58,57,006
Operating Profit Before Working Capital changes	11,27,16,173	34,77,58,049
Working Capital Changes:		
(Increase)/Decrease in Inventory	(8,83,83,710)	(2,15,40,748)
(Increase)/Decrease in Trade Receivables	20,18,62,939	(7,66,99,005)
(Increase)/Decrease in Short Term Loan & Advances	2,13,99,702	(50,75,841)
(Increase)/Decrease in Long Term Loan & Advances	(1,45,43,854)	-
(Increase)/Decrease in Other Current and Non- Current Assets	(1,83,93,645)	(1,51,53,457)
Increase/(Decrease) in Trade Payables	9,24,97,056	(9,29,61,628)
Increase/(Decrease) in Other Current and Non Current Liabilities	4,64,12,166	(80,19,963)
Increase/(Decrease) in Provisions	58,32,386	(1,14,88,246)
Cash generated from Operations	35,93,99,214	11,68,19,160
Income Tax Paid	(6,82,89,888)	(4,08,390)
NET CASH GENERATED FROM OPERATING ACTIVITIES (TOTAL A)	29,11,09,326	11,64,10,770
B. CASH FLOW FROM INVESTMENT ACTIVITIES:		
Purchase of Fixed Assets	(33,68,45,756)	(7,46,17,207)
Interest Received	-	-
NET CASH USED IN INVESTING ACTIVITIES (TOTAL B)	(33,68,45,756)	(7,46,17,207)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceed from issue of Share Capital including Share Premium	-	49,99,913
Short Term Borrowings	1,32,36,266	6,70,13,761
Interest Paid	(2,66,25,857)	(5,38,80,294)
NET CASH USED IN FINANCING ACTIVITIES: (TOTAL C)	(1,33,89,591)	1,81,33,380
Net Increase/(Decrease) of Cash & Cash Equivalents (A+B+C)	(5,91,26,021)	5,99,26,943
Add: Cash & Cash Equivalents at the beginning of the year	6,04,96,141	5,69,198
Cash & Cash Equivalents at the end of the year	13,70,120	6,04,96,141

The Notes to Account forms integral part of Financial Statements

1 to 40

As per our report of even date

For MUKUND M. CHITALE & CO.
Chartered Accountants
Firm Reg. NO. 106655W



(S.M.Chitale)
Partner
M. No. 111383

Place: Mumbai
Date : 23-10-2020



For and on behalf of the Board



Samit Holker
Director

DIN : 05127148

Place: Bhopal

Date : 23-10-2020



Divyush Jain
Director

DIN : 06397001



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

Notes to the financial statements (*Continued*)

for the year ended 31 March 2020

1. Company overview

Aarneel Technocrafts Private Limited ('the Company') was incorporated on 26th December 2011 under the Companies Act, 1956 to provide the road furniture services i.e. Items for highways as per norms of NHAI/IRC like crash barriers, safety signage, bush shelters, light poles etc.

2. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

i) Basis of preparation of financial statements

The accompanying financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, to the extent notified and applicable. The financial statements are presented in Indian rupees.

ii) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of financial statements, and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates used in preparing the accompanying financial statements. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized.

iii) Current / non-current classification

Schedule III to the Act requires assets and liabilities to be classified as either Current or Non-current.

An asset is classified as 'current' when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

An liability is classified as 'current' when it satisfies any of the following criteria:




AARNEEL TECHNOCRAFTS PRIVATE LIMITED

Notes to the financial statements (Continued)

for the year ended 31 March 2020

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be settled within twelve months after the balance sheet date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by issue of equity instrument do not affect its classification.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with Schedule III to the Act.

iv) Operating Cycle

Based on the nature of products/services of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

v) Inventories

Inventories comprise raw materials, , Semi finished goods, finished goods, stock-in-trade and stores and spares and are carried at the lower of cost and net realisable value.

Cost of inventories comprises all cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost of raw materials, packing materials, stock-in-trade and stores and spares, weighted average method is used. In determining the cost of finished goods, the standard cost method is used. Valuation of work-in-progress is based on the standard cost method as certified by the management. In the case of finished goods and work in progress, cost includes the appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on the basis of category of inventory.

vi) Cash and bank balances

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short term, highly liquid investments that are readily convertible into known amounts of cash and



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

Notes to the financial statements (Continued)

for the year ended 31 March 2020

which are subject to insignificant risk of changes in value. For this purpose, "short term" means investments having original maturity of three months or less from the date of investment.

Other bank balances

Demand deposits with banks due to mature within 12 months from the balance sheet date.

vii) Cash Flow Statement

Cash flow statement is reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

viii) Property, Plant and Equipment (PPE) and Depreciation/Amortisation/Impairment

Property, Plant and Equipment (PPE)

- Property, Plant and Equipment (PPE) are carried at cost of acquisition or construction less accumulated depreciation/ amortisation and/or accumulated impairment loss, if any. The cost of an item of PPE comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use, any trade discounts and rebates are deducted in arriving at the purchase price.
- The foreign exchange differences in respect of liabilities for the acquisition of imported assets are recognized and adjusted to the original cost of depreciable PPE.
- Subsequent expenditures related to an item of PPE are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- PPE acquired wholly or partly with specific grant/subsidy from government are recorded at the net acquisition cost to the Company.
- PPE under construction which are not ready for use at the balance sheet date are disclosed as capital work-in-progress.
- A PPE is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.
- Losses arising from retirement and gains or losses arising from disposal of the PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss.
- Advance paid for acquisition/ construction of PPE which are not ready for their intended use at each balance sheet date are disclosed under loans and advances as advances on capital account.



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

Notes to the financial statements (Continued)

for the year ended 31 March 2020

Intangible assets:

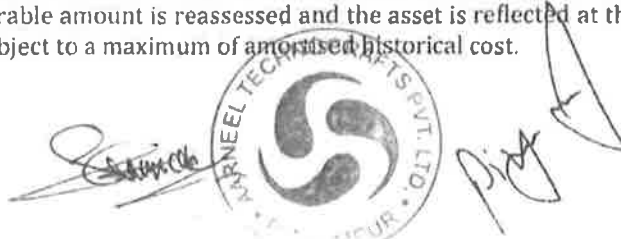
- a. Intangible assets are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.
- b. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.
- c. An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.
- d. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss.

Depreciation and Amortisation

- a. Depreciation on PPE is provided using the straight line method on the basis of useful life of asset as provided in Schedule II of Companies Act, 2013.
- b. Assets acquired on Finance lease and lease hold improvements are depreciated over the period of the lease agreement or the useful life whichever is shorter.
- c. The Intangible assets are amortised over useful life as estimated by management.
- d. The residual value, useful lives and method of depreciation are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

Impairment of assets

- a. PPE and intangible assets are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists at the reporting date, the asset's recoverable amount is estimated.
- b. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.
- c. The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. Value in use is the present value of the estimated future cash flow expected to arise from the continuing use of an asset and from its disposal at the end of the useful life.
- d. If such recoverable amount of the asset or the recoverable amount of the CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortised historical cost.



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

Notes to the financial statements (Continued)

for the year ended 31 March 2020

ix) Revenue recognition

Sale of Goods

- a. Sale comprises sale of goods which are net of rebates and goods and service tax.
- b. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is reasonably certain, and the amount of revenue can be measured reliably.
- c. Revenue from sale of goods to overseas customers are recognised when substantial risks and rewards of ownership are passed to the customers.

Income from Services

- d. Service income is recognised as per the terms of contracts with customers when the related services are performed, or the agreed milestones are achieved and where no uncertainty exists as to its realization.

x) Government grants

Government grants and subsidies are received and recognized after fulfilling the conditions attached to them. Government grants are of the nature of promoter's contribution and are credited to Capital Subsidy which is treated as part of Reserves and Surplus. Government grants received for depreciable assets are deducted from cost of such assets.

xi) Employee benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employees render the service. These benefits include performance incentives.

Long-term employee benefits

Defined contribution plans:

The Company makes specified contributions towards Employees Provident Fund and Employees' State Insurance Scheme (ESIC). The Company's contribution paid / payable under the schemes is recognized as expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined benefit plans:

Gratuity & Leave Encashment

The Company's net obligation in respect of the gratuity benefit and leave encashment scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

Notes to the financial statements (Continued)

for the year ended 31 March 2020

discounted to determine its present value, and the fair value of any plan assets is deducted.

Obligation in respect of gratuity and leave encashment is unfunded. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

xii) **Borrowing cost**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to interest costs.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of qualifying asset are capitalized as a part of cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the statement of Profit and loss in the period they occur.

xiii) **Operating leases**

Operating lease payments are recognised as an expense in the Statement of Profit and Loss with reference to lease terms.

Assets given by the Company under operating lease are included in Property, Plant and Equipment. Lease income from operating leases is recognised in the Statement of Profit and Loss with reference to lease terms. Initial direct costs incurred specifically for an operating lease are deferred and recognised in the Statement of Profit and Loss over the lease term in proportion to the recognition of lease income.

xiv) **Earnings per share ('EPS')**

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the result would be anti-dilutive. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

Notes to the financial statements (Continued)

for the year ended 31 March 2020

operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

xv) Taxation

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effect of timing difference between the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liability or asset is recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent when there is reasonable certainty that the asset can be realised in future. In case of unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, it has recognised Provision for Income Tax for the year on the basis the rate prescribed in the said section.

xvi) Provisions and contingent liabilities

Provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingent liabilities and contingent assets

A disclosure of contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

NOTE 3 : SHARE CAPITAL

	(Rs.)	
	31.03.2020	31.03.2019
Authorised Capital		
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000	1,00,00,000
	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Issued, Subscribed & Called up Capital		
3,79,726 Equity shares of Rs.10/- each fully paid up (P.Y. 3,79,726)	37,97,260	37,97,260
TOTAL	<u>37,97,260</u>	<u>37,97,260</u>

	31.03.2020	(Rs.)	31.03.2019	(Rs.)
	No. of Shares		No. of Shares	
a) Movement of Share Capital:				
No. of Shares Outstanding as at beginning of the year	3,79,726	37,97,260	3,50,000	35,00,000
Add: Shares issued during the year	-	-	29,726	2,97,260
No. of Shares Outstanding as at end of the year	<u>3,79,726</u>	<u>37,97,260</u>	<u>3,79,726</u>	<u>37,97,260</u>

b) Disclosure with respect to Shareholding In excess of 5%:

		31.03.2020	% of	31.03.2019	% of
Sr. No.	Name of the Shareholder	No. of Shares Held	Shareholding	No. of Shares Held	Shareholding
1	Shri Samit Holkar	3,25,000	85.59%	3,25,000	85.59%
2	Shri Plyush Jain	25,000	6.58%	25,000	6.58%
3	Jalpa Devi Engineering Pvt. Ltd.	29,726	7.83%	29,726	7.83%
	Total	<u>3,79,726</u>	<u>100%</u>	<u>3,79,726</u>	<u>100%</u>

c) Rights, Preferences & Restrictions attached to Shares:

Equity Shares - The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend if any proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

NOTE 4: RESERVES & SURPLUS

	31.03.2020	31.03.2019
(A) Securities Premium	47,02,653	47,02,653
Opening Balance as at 01.04.19/01.04.18		
Add: Premium received on issue of shares		
	47,02,653	47,02,653
(B) Surplus in Statement of Profit & Loss		
Opening Balance as at 01.04.19/01.04.18	21,63,31,214	1,60,16,407
Add: Profit After Tax for the Year	5,45,38,414	20,03,14,807
	27,08,69,628	21,63,31,214
	27,55,72,281	22,10,33,867
TOTAL OF (A) AND (B)		

NOTE 5: OTHER LONG TERM LIABILITIES

	31.03.2020	31.03.2019
Creditors for Fixed Assets	2,70,21,080	
	2,70,21,080	
TOTAL		

NOTE 6: LONG TERM PROVISIONS

	31.03.2020	31.03.2019
Provision for Employee Benefits	42,57,908	
Gratuity (Note 31)	14,13,827	
Leave Encashment (Note 31)		
	56,71,735	
TOTAL		

NOTE 7: SHORT TERM BORROWINGS

	31.03.2020	31.03.2019
Loans Repayable on Demand - From Banks*	14,76,71,291	9,75,16,831
Loans from Others#	19,37,40,999	23,06,59,193
	34,14,12,290	32,81,76,024
TOTAL		

* Details of Terms and Security of Loan

1. Loan carries rate of interest at 1 Year RLLR +3.50%p.a. currently 11.65% p.a.

2. Security

- Hypothecation of Stock in trade, Book Debts and Factory land and Building
- Personal Guarantee of Samit Holkar and Piyush Jain

Loan from Others carries rate of interest at 9.40%p.a.

NOTE 8: TRADE PAYABLES

	31.03.2020	31.03.2019
Due to Micro, Small & Medium Enterprises (Refer note 33)		
- Micro		
- Small		
	17,34,27,042	8,09,29,985
Due to other than Micro, Small & Medium Enterprises		
	17,34,27,042	8,09,29,985
TOTAL		



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**NOTE 9: OTHER CURRENT LIABILITIES**

	(Rs.)	
	31.03.2020	31.03.2019
Accrued Expenses	78,99,345	23,81,372
<u>Creditors for Expenses</u>		
Due to Micro, Small & Medium Enterprises (Refer note 33)		
- Micro	-	-
- Small	-	-
Due to other than Micro, Small & Medium Enterprises	1,74,46,618	-
Advance from Customers	3,014	4,28,173
Retention Money	24,45,073	-
Statutory Liabilities	18,63,265	74,56,684
TOTAL	2,96,57,315	1,02,66,229

NOTE 10: SHORT TERM PROVISIONS

	(Rs.)	
	31.03.2020	31.03.2019
Provision for Employee Benefits		
Gratuity (Note 31)	88,847	-
Leave Encashment (Note 31)	71,804	-
Provision for Taxation (net of Advance Tax & TDS)	-	5,09,74,413
TOTAL	1,60,651	5,09,74,413




AARNEEL TECHNOCRAFTS PRIVATE LIMITED

NOTE 11: PROPERTY, PLANT & EQUIPMENTS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2019 Rs	Additions Rs	Deduction/ Adjustment Rs	As on 31.03.2020 Rs	As on 01.04.2019 Rs	For the year Rs	Deduction/ Adjustment Rs	As on 31.03.2020 Rs	As on 31.03.2020 Rs	As on 01.04.2019 Rs
I	2	3	4	5=2+3-4	6	7	8	9=6+7-8	10=5-9	11=2-6
Tangible Assets:										
Leasehold Land	3,72,71,633	-	-	3,72,71,633	11,42,547	5,53,989	-	16,96,536	3,55,75,097	3,61,29,086
Factory Building	4,83,72,158	-	-	4,83,72,158	56,70,054	16,16,620	-	72,86,674	4,10,85,484	4,27,02,104
Plant and Machinery#	11,79,29,357	17,06,42,517	1,11,57,593	27,74,14,281	2,73,77,405	83,79,549	-	3,57,56,954	24,16,57,327	9,05,51,952
Furniture & Fixtures	20,70,423	2,85,525	-	23,55,948	6,05,858	2,15,122	-	8,20,980	15,34,968	14,64,565
Electrical Installations	57,61,090	80,59,118	-	1,38,20,208	18,61,928	6,49,639	-	25,11,567	1,13,08,641	38,99,161
Office Equipments	6,38,663	18,24,084	-	24,62,747	3,63,127	1,80,798	-	5,43,925	19,18,822	2,75,536
Computer Accessories	31,82,750	1,84,447	-	33,67,197	19,17,872	7,38,228	-	26,56,100	7,11,097	12,64,877
Vehicles	19,84,759	10,72,543	-	30,57,302	5,43,517	3,05,500	-	8,49,017	22,08,285	14,41,242
	21,72,10,833	18,20,68,234	1,11,57,593	38,81,21,475	3,94,82,308	1,26,39,445	-	5,21,21,754	33,59,99,721	17,77,28,525
Previous Year	17,12,07,348	4,60,03,485	-	21,72,10,833	2,75,21,814	1,19,60,494	-	3,94,82,308	17,77,28,525	-
Intangible Assets:										
Computer Software	1,74,800	7,45,390	-	9,20,190	1,22,873	2,13,445	-	3,36,318	5,83,873	51,927
	1,74,800	7,45,390	-	9,20,190	1,22,873	2,13,445	-	3,36,318	5,83,873	51,927
Previous Year	1,16,000	58,800	-	1,74,800	1,06,656	16,217	-	1,22,873	51,927	-
Total Current Year	21,73,85,633	18,28,13,624	1,11,57,593	38,90,41,665	3,96,05,181	1,28,52,890	-	5,24,58,072	33,65,83,594	17,77,80,452
Total Previous Year	17,13,23,348	4,60,62,285	-	21,73,85,633	2,76,28,470	1,19,76,711	-	3,96,05,181	17,77,80,452	-
Capital Work in Progress	2,85,54,903	16,51,89,725	-	19,37,44,628	-	-	-	-	19,37,44,628	2,85,54,903

Under the Industrial Promotion Policy, 2014, Government of Madhya Pradesh has sanctioned Rs. 1,11,57,593/- as a Capital Subsidy to Company for investment in plant and machinery. Company has followed capital approach for recognising Capital subsidy in accordance with Accounting Standard 12 "Accounting for Government Grants" and credited the amount to the Plant & Machinery. The said amount will be received in five yearly installments. During the year Company has received 1st installment of Rs. 22,31,518/- and remaining amount is shown under Other Non-current assets.



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**NOTE 12: LONG TERM LOAN AND ADVANCES**

(Rs.)

	31.03.2020	31.03.2019
(Unsecured, unless otherwise stated) (Considered good by Management except to the extent provided for)		
Advance Tax and TDS (net of provision)	1,45,43,853	-
TOTAL	1,45,43,853	-

NOTE 13: OTHER NON CURRENT ASSETS

(Rs.)

	31.03.2020	31.03.2019
(Unsecured, unless otherwise stated) (Considered good by Management except to the extent provided for)		
Security Deposits	74,62,650	3,54,650
Capital Advance	23,59,567	-
Sub-Total (A)	98,22,217	3,54,650
Government subsidy receivable	89,26,075	-
Less : Current portion of subsidy - (Shown as other current Assets)	(22,31,518)	-
Sub-Total (B)	66,94,557	-
TOTAL (A+B)	1,65,16,774	3,54,650

NOTE 14: INVENTORIES

(Rs.)

	31.03.2020	31.03.2019
(as valued and certified by the management) (valued at lower of Cost or Net realisable value)		
Raw Material	15,71,06,570	9,40,96,444
Semi Finished Goods	3,20,64,105	1,36,25,762
Finished Goods	1,09,51,627	88,32,775
Stock in Trade	89,43,213	29,99,896
Consumables and Spare Parts	28,25,741	39,52,669
TOTAL	21,18,91,256	12,35,07,546



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**NOTE 15: TRADE RECEIVABLES**

(Rs.)

31.03.2020**31.03.2019**

(Unsecured, unless otherwise stated)
(Considered good by Management except to the extent provided for)

Considered Good

Outstanding for Less than Six months
Outstanding for More than Six months

6,79,22,095

26,97,90,733

5,702

6,79,27,797

26,97,90,733

Considered Doubtful

Outstanding for Less than Six months
Outstanding for More than Six months

Less: Provision for Doubtful Debts

6,79,27,797

26,97,90,733

TOTAL**NOTE 16: CASH AND CASH EQUIVALENTS**

(Rs.)

31.03.2020**31.03.2019**

Cash on hand
Balance with Bank in current account

7,23,012

3,06,644

6,47,108

6,01,89,497

13,70,120

6,04,96,141

TOTAL**NOTE 17: SHORT TERM LOANS AND ADVANCES**

(Rs.)

31.03.2020**31.03.2019**

(Unsecured, unless otherwise stated)
(Considered good by Management except to the extent provided for)

Balance with Government Authorities
Staff Advance
Advance to Suppliers/Creditors

1,82,01,779

6,42,935

12,85,308

12,49,084

32,93,225

4,22,87,995

2,27,80,312

4,41,80,014

TOTAL**NOTE 18: OTHER NON CURRENT ASSETS**

(Rs.)

31.03.2020**31.03.2019**

(Unsecured, unless otherwise stated)
provided for)

Current portion of Government Subsidy

22,31,518

22,31,518

TOTAL

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020NOTE 19: DEFERRED TAX LIABILITIES

('Rs.)

	31.03.2020	Current year Charge/(Credit)	31.03.2019
<u>Deferred Tax Liabilities</u>			
Depreciation	1,29,85,427	34,98,766	94,86,661
Sub-Total	1,29,85,427	34,98,766	94,86,661
<u>Deferred Tax Assets</u>			
Leave Encashment	3,73,933	3,73,933	-
Bonus to Staff	6,47,217	6,47,217	-
Gratuity	10,94,078	10,94,078	-
Doubtful Debts	-	-	-
Sub-Total	21,15,229	21,15,229	-
Deferred Tax Liability (Net)	1,08,70,198	13,83,537	94,86,661



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**NOTE 20: REVENUE FROM OPERATIONS**

	(Rs.) For the year ended 31.03.2020	For the year ended 31.03.2019
Sale of Products	1,25,15,10,141	2,15,20,00,511
<u>Other Operating Income</u>		
Hiring of Machinery	8,40,80,784	-
Job Work	18,72,420	-
Sale of Scrap	1,30,53,100	2,57,04,187
TOTAL	1,35,05,16,445	2,17,77,04,698

NOTE 21: OTHER INCOME

	(Rs.) For the year ended 31.03.2020	For the year ended 31.03.2019
Discount Received	13,15,685	7,47,595
Other Non-operating Income	-	2,84,866
TOTAL	13,15,685	10,32,461



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**NOTE 22: COST OF MATERIALS CONSUMED**

	(Rs.)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Opening Stock	9,40,96,444	10,19,66,799
Add :Purchases	83,18,98,756	1,48,51,32,535
	92,59,95,200	1,58,70,99,334
Less : Closing Stock	15,71,06,570	9,40,96,444
Cost of Raw Material consumed	76,88,88,630	1,49,30,02,890

Breakup into Imported and Indigenous:

	%	Rs.	%	Rs.
Indigenous	100%	83,18,98,756	100%	1,48,51,32,535
Imported		-		-
	100%	83,18,98,756	100%	1,48,51,32,535

NOTE 23: PURCHASE OF STOCK IN TRADE

	(Rs.)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Trading Items#	24,73,31,111	12,38,88,510
Total	24,73,31,111	12,38,88,510

Includes items of various nature and specifications. Hence It is not practicable to furnish the item wise details.

NOTE 24: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

	(Rs.)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
(A) At the beginning of the year		
Stock of Finished Goods	88,32,775	-
Stock of Semi Finished Goods	1,36,25,762	-
Stock of Stock-in-trade	29,99,896	-
Stock of Consumables and Spare Parts	39,52,669	-
Total (A)	2,94,11,102	-
(B) At the end of the year		
Stock of Finished Goods	1,09,51,627	88,32,775
Stock of Semi Finished Goods	3,20,64,105	1,36,25,762
Stock of Stock-in-trade	89,43,213	29,99,896
Stock of Consumables and Spare Parts	28,25,741	39,52,669
Total(B)	5,47,84,686	2,94,11,102
Total (A) - (B)	(2,53,73,584)	(2,94,11,102)



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

NOTE 25: EMPLOYEE BENEFIT EXPENSE

	(Rs.) For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries and wages including bonus	3,63,79,327	2,84,37,789
Directors Remuneration	21,90,000	18,20,000
Contribution to Provident Fund	23,11,295	16,76,760
Contribution to Other Funds	6,04,877	7,24,226
Gratuity (Refer note 32)	43,46,755	-
Leave Encashment (Refer note 32)	16,63,691	-
Staff Welfare Expenses	31,71,173	6,62,511
TOTAL	5,06,67,118	3,33,21,286

NOTE 26: FINANCE COSTS

	(Rs.) For the year ended 31.03.2020	For the year ended 31.03.2019
Bank Charges & Commission	1,86,753	5,55,827
Interest on Demand Loans	86,65,774	76,46,443
Interest on Unsecured Loan	1,77,73,330	4,56,78,024
TOTAL	2,66,25,857	5,38,80,294

NOTE 27: DEPRECIATION AND AMMORTISATION

	(Rs.) For the year ended 31.03.2020	For the year ended 31.03.2019
Depreciation on Tangible Assets	1,26,39,445	1,19,60,494
Amortisation on Intangible Assets	2,13,445	16,217
TOTAL	1,28,52,890	1,19,76,711

NOTE 28: OTHER EXPENSES

	(Rs.) For the year ended 31.03.2020	For the year ended 31.03.2019
Manufacturing Expenses		
Consumption of stores and spare parts	37,24,570	13,39,163
Power and Fuel	70,52,219	68,71,404
Repairs and Maintenance - Machinery and Vehicle	19,74,526	14,25,602
Labour Charges	3,41,88,068	8,91,15,403
Water Charges	7,47,276	3,61,129
Other Manufacturing Expenses	5,25,927	2,51,351
Selling and Distribution Expenses		
Carriage Outwards	5,01,12,446	3,01,99,090
Advertising Expenses	50,066	35,000
Discount Given	-	6,40,55,568
Tour & Travelling Expenses	30,43,206	18,07,797
General and Administrative Expenses		
Audit Fees	4,50,000	1,00,000
Legal & Professional Charges	31,05,880	34,94,311
Machinery Hiring Charges	8,05,11,633	60,000
Office Expenses	14,98,220	15,55,423
Other Expenses	2,45,546	52,716
Pooja Expenses	88,477	2,14,578
Postage & Courier Expenses	34,491	16,474
Printing & Stationery Expenses	1,87,968	2,52,878
Interest on Income tax	45,75,666	4,08,390
Insurance Charges	7,40,444	9,59,956
Rates and Taxes	7,77,214	15,70,979
Registration & Renewal Fees	2,08,797	4,28,097
Rent	17,96,392	20,46,858
Repairs and Maintenance - Others	14,27,152	29,12,332
Telephone Expense	5,36,498	6,43,019
TOTAL	19,76,02,682	21,01,77,526



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020**NOTE 29: BASIC AND DILUTED EARNINGS PER EQUITY SHARE**

For the purpose of calculation of Basic and Diluted Earnings Per Share, the following amounts are considered :

	(Rs.)	
	For the year ended 31.03.2020	For the year ended 31.03.2019
Profit Attributable to Equity Shareholders	5,45,38,414	20,03,14,807
Total	5,45,38,414	20,03,14,806

(a) Weighted Average No. of Equity Shares Outstanding during the year

-For Basic EPS	3,79,726	3,63,519
-For Diluted EPS	3,79,726	3,63,519

(b) Earnings Per Share

- Basic EPS	143.63	551.04
- Diluted EPS	143.63	551.04
Face Value Per Equity Share (In Rs.)		

(c) Reconciliation between number of shares used for calculating basic and diluted earnings per

No. of Shares used for calculating Basic EPS	3,79,726	3,63,519
Add: Potential Equity Shares	-	-
No. of Shares used for calculating Diluted EPS	3,79,726	3,63,519

NOTE 30: LIST OF RELATED PARTIES & RELATIONSHIPS

Information in accordance with Accounting Standard 18 on 'Related Parties Disclosures'

Key Management Personnel and their Relatives:	Relationship
Piyush Jain	Managing Director
Sumit Holkar	Director

Enterprise owned or significantly influenced by key managerial personnel and their relatives
Pushpajit Infra Solution Private Limited

List of Related Parties Transactions:

	(Rs.)
1. Expenditure	Amount
Directors Remuneration*	21,90,000 (18,20,000)

* Figures in brackets represents those of previous year.

NOTE 31: CONTINGENT LIABILITIES

	(Rs.)
Particulars	Amount
1. Company has received show cause notice dated 06.09.2019 regarding dues of excise duty. Company has disputed the claim and is in the process of preferring appeal against the same.	47,49,972



NOTE 32: DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS SPECIFIED BY AS-15

1 Defined Contribution Scheme

	(Rs.)	
Description	31.03.2020	31.03.2019
Employer's Contribution to Provident Fund	23,11,295	16,76,760
Employer's Contribution to Other Funds	6,04,877	7,24,226
Total	29,16,172	24,00,986

2 Defined Benefit Scheme

Obligation in respect of employee's gratuity is unfunded and determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Obligation in respect of Employee's Leave entitlement is unfunded and had been determined based on actuarial valuation using Projected Unit Credit Method. The relevant disclosures under AS-15 are as follows :

		(Rs.)	
		31.03.2020	31.03.2019
Defined Benefit Scheme		Gratuity	Leave Encashment
2.1	Change in the present value of the defined benefit obligation representing reconciliation of opening		
	Liability at the beginning of the year	-	-
	Interest Cost	43,46,755	16,63,691
	Current Service Cost	-	-
	Actuarial (gain) / loss on obligations	-	(1,78,060)
	Benefits paid	-	-
	Liability at the end of the year	43,46,755	14,85,631
2.2	Total actuarial (gain) / loss to be Recognized	-	-
2.3	Amount Recognized in Balance Sheet		
	Liability at the end of the year	43,46,755	14,85,631
	Fair value of Plan Assets at the end of the year	-	-
	Amount Recognized in the Balance Sheet	43,46,755	14,85,631
2.4	Expenses Recognized in the Income Statement		
	Current Service Cost	43,46,755	16,63,691
	Interest Cost	-	-
	Expected Return on Plan Assets	-	-
	Net Actuarial (gain) / loss to be Recognized	-	-
	Past Service Cost	-	-
	Expenses Recognized in Profit & Loss Account	43,46,755	16,63,691
2.5	Balance Sheet Reconciliation		
	Opening Net Liability	-	-
	Expenses as above	43,46,755	16,63,691
	Employers Contribution	-	(1,78,060)
	Amount Recognized in Balance Sheet	43,46,755	14,85,631
2.6	Amounts recognized in current year and previous four years	31.03.20	31.03.19
	Defined Benefit Obligation (Gratuity + Leave Encashment Plan Asset)	58,32,386	-
	(Surplus) / Deficit	58,32,386	-
2.7	Principal Actuarial	31.03.2020	31.03.19
	Discount Rate - Gratuity	6.55% p.a.	-
	Discount Rate - Leave Encashment	6.55% p.a.	-
	Salary Escalation Rate	0% p.a. For next 1 years & 15% p.a. thereafter	-
	Retirement Age	60 Years	-
	Mortality Table	MM (2012-2014)	-

[Signature]

AARNEEL TECHNOCRAFTS PVT. LTD.

[Signature]



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

Note 33: DISCLOSURE OF CREDITORS OUTSTANDING UNDER MSMED ACT, 2006

The amount due to small-scale undertakings is furnished under the relevant head, on the basis of information available with the Company regarding small-scale industry status of suppliers. The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid or payable as required under the said Act have not been given.

Sr. No.	Particulars	31.03.2020	31.03.2019
a)	i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	Nil	Nil
	ii) Interest on a) (i) above	Nil	Nil
b)	i) Amount of Principal paid beyond the appointed Date	Nil	Nil
	ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	Nil	Nil
c)	Amount of Interest due and payable for the year of delay in making payment, but without adding the interest specified under section 16 of the said Act	Nil	Nil
d)	Amount of Interest accrued and due	Nil	Nil
e)	Amount of further interest remaining due and payable Even in succeeding years	Nil	Nil

Note 34 : ADOPTION OF NEW TAX REGIME

The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, it has recognised Provision for Income Tax for the year on the basis the rate prescribed in the said section.

Note 35 : IMPACT OF COVID 19

The COVID-19 pandemic has severely disrupted business operations due to lockdown and other emergency measures imposed by the governments. The operations of the Company were impacted, due to shutdown of factory and offices following nationwide lockdown. The Company continues with its operations in a phased manner in line with directives from the authorities. The Company has evaluated the impact of this pandemic on its business operations, liquidity and financial position and based on management's review of current indicators and economic conditions there is no material impact on its financial results as at March 31, 2020.



Note 36 : DISCLOSURES UNDER 'AS 19 LEASE' - OPERATING LEASE

a) As Lessee - Company has entered into operating lease agreement for 54 machineries. The initial tenure of lease is 11 months. These arrangements are renewable by mutual consent on mutually agreed terms.

		(Rs.)
Sr. No.	Particulars	Amount
1	The total future minimum lease rentals payable at the Balance Sheet date	
1.1	For a period not later than one year	8,14,50,864
1.2	For a period later than one year not later than five years	-
1.3	For a period later than five years	-
2	Lease rental recognized in Statement of Profit and Loss	8,05,11,633

b) As Lessor - Company has given same machineries on operating lease to Dillip Buildcon Limited for initial period of 11 months.

		(Rs.)
Sr. No.	Particulars	Amount
1	The total future minimum lease rentals receivables at the Balance Sheet date	
1.1	For a period not later than one year	8,73,32,143
1.2	For a period later than one year not later than five years	-
1.3	For a period later than five years	-
2	Lease rental recognized in Statement of Profit and Loss	8,40,80,784

Note 37 : Corporate Social Responsibility (CSR) expenditure

(a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the company during the year is Rs. 21,01,642/- (PY - NIL)

(b) Expenditure related to Corporate Social Responsibility remaining unspent is Rs. 21,01,642/- (PY - NIL).

Note 38 : The Company operates in one reportable business segment i.e. Road Furniture.

Note 39 : Balances of Debtors, Creditors, Advances, Deposits, and Unsecured Loans etc are subject to confirmation and reconciliation.

Note 40 : Figures relating to previous years have been regrouped / rearranged, wherever necessary.

Signature to Notes to Accounts

For MUKUND M CHITALE & CO.
Chartered Accountants
Firm Regn. No. 106655W

Chitale

S. M. Chitale
Partner
M.No. 111383

Place: Mumbai
Date : 23-10-2020



For and on behalf of the Board

Samit Holker
Samit Holker
Director

DIN : 05127148

Place: Bhopal

Date : 23-10-2020

Piyush Jain
Piyush Jain
Director

DIN : 06397001



BALANCE SHEET AS AT 31 DECEMBER 2020

(Rs.)

	Particulars	Note No.	31.12.2020	31.03.2020
I	EQUITY AND LIABILITIES			
(1)	Shareholders' Funds			
	(a) Share Capital	1	37,97,260	37,97,260
	(b) Reserves and Surplus	2	27,85,43,802	27,55,72,281
(2)	Share application money pending allotment		-	-
(3)	Non-current liabilities			
	(a) Long-term borrowings		-	-
	(b) Deferred Tax Liabilities (Net)	3	1,08,70,199	1,08,70,198
	(c) Other Long Term Liabilities	4	-	2,70,21,080
	(d) Long-Term Provisions	5	-	56,71,735
(4)	Current Liabilities			
	(a) Short-term borrowings	6	40,60,97,347	34,14,12,290
	(b) Trade Payables	7	-	-
	(i) Total outstanding dues of micro and small enterprises		-	-
	(ii) Total outstanding dues of other than micro and small enterprises		13,96,76,566	17,34,27,042
	(c) Other Current Liabilities	8	7,87,86,613	2,96,57,315
	(d) Short-Term Provisions	9	9,99,508	1,60,651
	TOTAL		91,87,71,294	86,75,89,852
II	ASSETS			
(1)	Non-current assets			
	(a) Property, Plant & Equipment	10		
	(i) Tangible Assets		32,89,52,259	33,59,99,721
	(ii) Intangible Assets		4,04,514	5,83,873
	(iii) Capital Work in Progress		22,26,34,875	19,37,44,628
	(b) Non-Current Investments		-	-
	(c) Deferred Tax Assets (Net)		-	-
	(c) Long-term Loans and Advances	11	1,46,48,849	1,45,43,853
	(d) Other Non-Current Assets	12	1,63,88,725	1,65,16,774
(2)	Current assets			
	(a) Current Investments		-	-
	(b) Inventories	13	18,71,25,631	21,18,91,256
	(c) Trade Receivables	14	13,33,88,070	6,79,27,797
	(d) Cash and Cash Equivalents	15	1,11,61,436	13,70,120
	(e) Short-Term Loans and Advances	16	40,66,934	2,27,80,312
	(f) Other Current Assets	17	-	22,31,518
	TOTAL		91,87,71,294	86,75,89,852

For and on behalf of the Board



Samit Holker
Director
DIN : 05127148

Piyush Jain
Director
DIN : 06397001

Place: Indore

Date :- 01.05.2021

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 DECEMBER 2020

		(Rs.)		
	Particulars	Note No.	For the Period Ended 31.12.2020	For the Year Ended 31.03.2020
I.	Revenue from Operations	18	88,17,73,038	1,35,05,16,445
II	Other Income	19	48,96,782	13,15,685
III	Total Revenue (I+II)		88,66,69,820	1,35,18,32,130
IV	Expenses			
	Cost of Materials Consumed	20	67,76,44,853	76,88,88,630
	Purchase of stock in trade	21	-	24,73,31,111
	Changes in Inventories of Finished Goods, Work in Progress And Stock In Trade	22	-	(2,53,73,584)
	Employee Benefits Expense	23	2,97,27,390	5,06,67,118
	Finance Costs	24	1,99,93,339	2,66,25,857
	Depreciation and Amortisation	25	1,61,33,137	1,28,52,890
	Other Expenses	26	13,92,00,073	19,76,02,682
	Total Expenses		88,26,98,791	1,27,85,94,704
V	Profit / (loss) before Exceptional and Extraordinary items and tax (III-IV)		39,71,029	7,32,37,426
VI	Tax Expenses			
	(I) Current Tax		9,99,508	1,73,15,475
	(II) Tax Expense of Earlier Years		-	-
	(III) Deferred Tax charge/(credit)		-	13,83,537
			9,99,508	1,86,99,013
VII	Profit for the year from continuing operations carried forward to Balance Sheet (V - VII)		29,71,521	5,45,38,414
	Basic & Diluted Earnings per Equity Share in Rs. (Face Value of Rs. 10/- per Equity Share)	27	7.83	143.63

For and on behalf of the Board

Samit Holker
Director

DIN : 05127148

Piyush Jain
Director

DIN : 06397001

Place: Indore

Date :- 01.05.2021

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**NOTE 1 : SHARE CAPITAL**

	31.12.2020	(Rs.)	31.03.2020
Authorised Capital			
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000		1,00,00,000
	<u>1,00,00,000</u>		<u>1,00,00,000</u>
Issued, Subscribed & Called up Capital			
3,79,726 Equity shares of Rs.10/- each fully paid up (P.Y. 3,79,726)	37,97,260		37,97,260
TOTAL	<u>37,97,260</u>		<u>37,97,260</u>

	31.12.2020	(Rs.)	31.03.2020	(Rs.)
a) Movement of Share Capital:	No. of Shares		No. of Shares	
No. of Shares Outstanding as at beginning of the year	3,79,726	37,97,260	3,79,726	37,97,260
Add: Shares issued during the year	-	-	-	-
No. of Shares Outstanding as at end of the year	<u>3,79,726</u>	<u>37,97,260</u>	<u>3,79,726</u>	<u>37,97,260</u>

b) Disclosure with respect to Shareholding in excess of 5%:

Sr. No.	Name of the Shareholder	31.12.2020	% of Shareholding	31.03.2020	% of Shareholding
		No. of Shares Held		No. of Shares Held	
1	Shri Samit Holkar	3,25,000	85.59%	3,25,000	85.59%
2	Shri Piyush Jain	25,000	6.58%	25,000	6.58%
3	Jalpa Devi Engineering Pvt. Ltd.	29,726	7.83%	29,726	7.83%
	Total	<u>3,79,726</u>	<u>100%</u>	<u>3,79,726</u>	<u>100%</u>

c) Rights, Preferences & Restrictions attached to Shares:

Equity Shares - The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend if any proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.



AARNEEL TECHNOCRAFTS PRIVATE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020****NOTE 2: RESERVES & SURPLUS**

	(Rs.)	
	<u>31.12.2020</u>	<u>31.03.2020</u>
(A) Securities Premium		
Opening Balance as at 01.04.19/01.04.18	47,02,653	47,02,653
Add: Premium received on Issue of shares	-	-
	<u>47,02,653</u>	<u>47,02,653</u>
(B) Surplus in Statement of Profit & Loss		
Opening Balance as at 01.04.19/01.04.18	27,08,69,628	21,63,31,214
Add: Profit After Tax for the Year	29,71,521	5,45,38,414
	<u>27,38,41,148</u>	<u>27,08,69,628</u>
TOTAL OF (A) AND (B)	<u>27,85,43,802</u>	<u>27,55,72,281</u>

NOTE 4: OTHER LONG TERM LIABILITIES

	(Rs.)	
	<u>31.12.2020</u>	<u>31.03.2020</u>
Creditors for Fixed Assets	-	2,70,21,080
TOTAL	<u>-</u>	<u>2,70,21,080</u>

NOTE 5: LONG TERM PROVISIONS

	(Rs.)	
	<u>31.12.2020</u>	<u>31.03.2020</u>
Provision for Employee Benefits		
Gratuity (Note 31)	-	42,57,908.00
Leave Encashment (Note 31)	-	14,13,827.00
TOTAL	<u>-</u>	<u>56,71,735</u>

NOTE 6: SHORT TERM BORROWINGS

	(Rs.)	
	<u>31.12.2020</u>	<u>31.03.2020</u>
Loans Repayable on Demand - From Banks*	11,63,58,332	14,76,71,291
Loans from Others#	28,97,39,015	19,37,40,999
TOTAL	<u>40,60,97,347</u>	<u>34,14,12,290</u>

*** Details of Terms and Security of Loan**

1. Loan carries rate of Interest at 1 Year RLLR +3.50%p.a. currently 11.65% p.a.

2. Security

- i. Hypothecation of Stock in trade, Book Debts and Factory land and Building
- ii. Personal Guarantee of Samit Holkar and Piyush Jain

Loan from Others carries rate of interest at 9.40%p.a.

NOTE 7: TRADE PAYABLES

	(Rs.)	
	<u>31.12.2020</u>	<u>31.03.2020</u>
Due to Micro, Small & Medium Enterprises (Refer note 26)		
- Micro	-	-
- Small	-	-
Due to other than Micro, Small & Medium Enterprises	13,96,76,566	4,19,35,215
TOTAL	<u>13,96,76,566</u>	<u>4,19,35,215</u>



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020NOTE 3: DEFERRED TAX LIABILITIES

('Rs.)

	31.12.2020	31.03.2020
<u>Deferred Tax Liabilities</u>		
Depreciation	1,29,85,427	1,29,85,427
Sub-Total	1,29,85,427	1,29,85,427
<u>Deferred Tax Assets</u>		
Leave Encashment	3,73,933	3,73,933
Bonus to Staff	6,47,217	6,47,217
Gratuity	10,94,078	10,94,078
Doubtful Debts	-	-
Sub-Total	21,15,228	21,15,229
Deferred Tax Liability (Net)	1,08,70,199	1,08,70,198

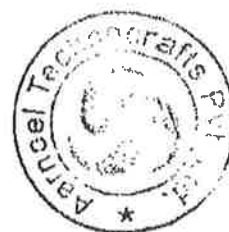


NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**NOTE 8: OTHER CURRENT LIABILITIES**

	(Rs.)	
	<u>31.12.2020</u>	<u>31.03.2020</u>
Accrued Expenses	1,32,03,084	78,99,345
<u>Creditors for Expenses</u>		
Due to Micro, Small & Medium Enterprises (Refer note 26)		
- Micro	-	-
- Small	-	-
Due to other than Micro, Small & Medium Enterprises	-	1,74,46,618
Advance from Customers	6,16,39,613	3,014
Retention Money	26,02,389	24,45,073
Statutory Liabilities	13,41,527	18,63,265
TOTAL	<u>7,87,86,613</u>	<u>2,96,57,315</u>

NOTE 9: SHORT TERM PROVISIONS

	(Rs.)	
	<u>31.12.2020</u>	<u>31.03.2020</u>
Provision for Employee Benefits		
Gratuity (Note 31)	-	88,847
Leave Encashment (Note 31)	-	71,804
Provision for Taxation (net of Advance Tax & TDS)	9,99,508	-
TOTAL	<u>9,99,508</u>	<u>1,60,651</u>



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

NOTE 10: PROPERTY, PLANT & EQUIPMENTS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.03.2020	Additions	Deduction/ Adjustment	As on 31.12.2020	As on 31.03.2020	For the year	Deduction/ Adjustment	As on 31.12.2020	As on 31.12.2020	As on 31.03.2020
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
1	2	3	4	5=2+3-4	6	7	8	9=6+7-8	10=5-9	11=2-6
Tangible Assets:										
Leasedhold Land	3,72,71,633			3,72,71,633	16,96,536	3,70,338	-	20,66,875	3,52,04,758	3,55,75,097
Factory Building	4,83,72,158			4,83,72,158	72,86,674	10,80,700	-	83,67,373	4,00,04,785	4,10,85,484
Plant and Machinery#	27,74,14,281	73,37,174		28,47,51,454	3,57,56,954	1,23,95,807	-	4,81,52,762	23,65,98,693	24,16,57,327
Furniture & Fixtures	23,55,948	7,32,450		30,88,398	8,20,980	1,81,481	-	10,02,461	20,85,937	15,34,968
Electrical Installations	1,38,20,208			1,38,20,208	25,11,567	4,24,617	-	29,36,182	1,08,84,027	1,13,08,641
Office Equipments	24,62,747	5,87,784		30,50,531	5,43,925	8,15,400	-	13,59,326	16,91,205	19,18,822
Computer Accessories	33,67,197	2,48,909		36,16,105	26,56,100	4,29,442	-	30,85,542	5,30,563	7,11,097
Vehicles	30,57,302			30,57,302	8,49,017	2,55,994	-	11,05,011	19,52,291	22,08,285
Previous Year	38,81,21,475	89,06,317	-	39,70,27,792	5,21,21,754	1,59,53,779	-	6,80,75,534	32,89,52,259	33,59,99,721
	21,72,10,833	18,20,68,234	1,11,57,593	38,81,21,475	3,94,82,308	1,26,39,445	-	5,21,21,754	33,59,99,721	17,77,28,525
Intangible Assets:										
Computer Software	9,20,190	-	-	9,20,190	3,36,318	1,79,359	-	5,15,676	4,04,514	5,83,873
Total Current Year	9,20,190	-	-	9,20,190	3,36,318	1,79,359	-	5,15,676	4,04,514	5,83,873
Previous Year	1,74,800	7,45,390	-	9,20,190	1,22,873	2,13,445	-	3,36,318	5,83,873	51,927
Total Current Year	38,90,41,665	89,06,317	-	39,79,47,982	5,24,58,072	1,61,33,137	-	6,85,91,210	32,93,56,774	33,65,83,593
Total Previous Year	21,73,85,633	18,28,13,624	1,11,57,593	38,90,41,665	3,96,05,181	1,28,52,890	-	5,24,58,072	33,65,83,594	17,77,80,452
Capital Work in Progress	19,37,44,628	2,88,90,247	-	22,26,34,875	-	-	-	-	22,26,34,875	19,37,44,628

Under the Industrial Promotion Policy, 2014, Government of Madhya Pradesh has sanctioned Rs. 1,11,57,593/- as a Capital Subsidy to Company for investment in plant and machinery. Company has followed capital approach for recognising Capital subsidy in accordance with Accounting Standard 12 "Accounting for Government Grants" and credited the amount to the Plant & Machinery. The said amount will be received in five yearly installments. During the year Company has received 1st installment of Rs. 22,31,518/- and remaining amount is shown under Other Non-current assets.



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**NOTE 11: LONG TERM LOAN AND ADVANCES**

	(Rs.)	
	31.12.2020	31.03.2020
(Unsecured, unless otherwise stated) (Considered good by Management except to the extent provided for)		
Advance Tax and TDS (net of provision)	1,46,48,849	1,45,43,853
TOTAL	1,46,48,849	1,45,43,853

NOTE 12: OTHER NON CURRENT ASSETS

	(Rs.)	
	31.12.2020	31.03.2020
(Unsecured, unless otherwise stated) (Considered good by Management except to the extent provided for)		
Security Deposits	74,62,650	74,62,650
Capital Advance	-	23,59,567
Sub-Total (A)	74,62,650	98,22,217
Government subsidy receivable	89,26,075	89,26,075
Less : Current portion of subsidy - (Shown as other current Assets)	-	-22,31,518
Sub-Total (B)	89,26,075	66,94,557
TOTAL (A+B)	1,63,88,725	1,65,16,774

NOTE 13: INVENTORIES

	(Rs.)	
	31.12.2020	31.03.2020
(as valued and certified by the management) (valued at lower of Cost or Net realisable value)		
Raw Material	18,71,25,630	15,71,06,570
Semi Finished Goods	-	3,20,64,105
Finished Goods	-	1,09,51,627
Stock in Trade	-	89,43,213
Consumables and Spare Parts	-	28,25,741
TOTAL	18,71,25,631	21,18,91,255



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**NOTE 14: TRADE RECEIVABLES**

	(Rs.)	
	<u>31.12.2020</u>	<u>31.03.2020</u>
(Unsecured, unless otherwise stated)		
(Considered good by Management except to the extent provided for)		
Considered Good		
Outstanding for Less than Six months	13,33,82,368	6,79,22,095
Outstanding for More than Six months	5,702	5,702
	<u>13,33,88,070</u>	<u>6,79,27,797</u>
Considered Doubtful		
Outstanding for Less than Six months		
Outstanding for More than Six months		
Less: Provision for Doubtful Debts		
TOTAL	<u><u>13,33,88,070</u></u>	<u><u>6,79,27,797</u></u>

NOTE 15: CASH AND CASH EQUIVALENTS

	(Rs.)	
	<u>31.12.2020</u>	<u>31.03.2020</u>
Cash on hand	1,77,474	7,23,012
Balance with Bank in current account	1,09,83,962	6,47,108
TOTAL	<u><u>1,11,61,436</u></u>	<u><u>13,70,120</u></u>

NOTE 16: SHORT TERM LOANS AND ADVANCES

	(Rs.)	
	<u>31.12.2020</u>	<u>31.03.2020</u>
(Unsecured, unless otherwise stated)		
(Considered good by Management except to the extent provided for)		
Balance with Government Authorities	15,88,232	1,82,01,779
Staff Advance	24,78,702	12,85,308
Advance to Suppliers/Creditors		32,93,225
TOTAL	<u><u>40,66,934</u></u>	<u><u>2,27,80,312</u></u>

NOTE 17: OTHER NON CURRENT ASSETS

	(Rs.)	
	<u>31.12.2020</u>	<u>31.03.2020</u>
(Unsecured, unless otherwise stated)		
(Considered good by Management except to the extent provided for)		
Current portion of Government Subsidy		22,31,518
TOTAL	<u><u>-</u></u>	<u><u>22,31,518</u></u>



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**NOTE 18: REVENUE FROM OPERATIONS**

	(Rs.) For the period ended 31.12.2020	For the year ended 31.03.2020
Sale of Products	83,76,51,677	1,25,15,10,141
<u>Other Operating Income</u>		
Hiring of Machinery	3,74,36,640	8,40,80,784
Job Work	-	18,72,420
Sale of Scrap	66,84,721	1,30,53,100
TOTAL	88,17,73,038	1,35,05,16,445

NOTE 19: OTHER INCOME

	(Rs.) For the period ended 31.12.2020	For the year ended 31.03.2020
Discount Received	15,11,961	13,15,685
Other Non-operating Income	33,84,821	-
TOTAL	48,96,782	13,15,685



NOTE 20: COST OF MATERIALS CONSUMED

NOTE 21: PURCHASE OF STOCK IN TRADE

Includes items of various nature and specifications. Hence it is not practicable to furnish the item wise details.

(Rs.)

253,735
Pat. Tech. Ind. Pvt. Ltd.
★

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**NOTE 23: EMPLOYEE BENEFIT EXPENSE**

	(Rs.) For the period ended 31.12.2020	For the year ended 31.03.2020
Salaries and wages including bonus	2,70,66,724	3,63,79,327
Directors Remuneration	-	21,90,000
Contribution to Provident Fund	16,76,131	23,11,295
Contribution to Other Funds	3,71,490	6,04,877
Gratuity (Refer note 25)	-	43,46,755
Leave Encashment (Refer note 25)	-	16,63,691
Staff Welfare Expenses	6,13,044	31,71,173
TOTAL	2,97,27,390	5,06,67,118

NOTE 24: FINANCE COSTS

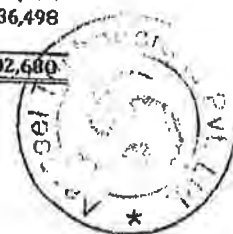
	(Rs.) For the period ended 31.12.2020	For the year ended 31.03.2020
Bank Charges & Commission	5,20,492	1,86,753
Interest on Demand Loans	66,85,372	86,65,774
Interest on Unsecured Loan	1,27,87,475	1,77,73,330
TOTAL	1,99,93,339	2,66,25,857

NOTE 25: DEPRECIATION AND AMMORTISATION

	(Rs.) For the period ended 31.12.2020	For the year ended 31.03.2020
Depreciation on Tangible Assets	1,61,33,137	1,26,39,445
Amortisation on Intangible Assets	-	2,13,445
TOTAL	1,61,33,137	1,28,52,890

NOTE 26: OTHER EXPENSES

	(Rs.) For the period ended 31.12.2020	For the year ended 31.03.2020
Manufacturing Expenses		
Consumption of stores and spare parts	39,80,269	37,24,570
Power and Fuel	60,86,566	70,52,219
Repairs and Maintenance - Machinery and Vehicle	15,72,062	19,74,526
Labour Charges	2,97,75,811	3,41,80,068
Water Charges	5,81,664	7,47,276
Other Manufacturing Expenses	2,44,182	5,25,927
Selling and Distribution Expenses		
Carriage Outwards	4,14,48,414	5,01,12,446
Advertising Expenses	-	50,066
Discount Given	-	-
Tour & Travelling Expenses	6,08,084	30,43,206
General and Administrative Expenses		
Audit Fees	4,58,000	4,50,000
Legal & Professional Charges	31,43,953	31,05,880
Machinery Hiring Charges	3,43,74,478	8,05,11,633
Office Expenses	3,97,181	14,98,220
Other Expenses	1,13,99,029	2,45,546
Pooja Expenses	38,110	88,477
Postage & Courier Expenses	28,895	34,491
Printing & Stationery Expenses	1,03,556	1,87,968
Interest on Income tax	-	45,75,666
Insurance Charges	2,72,071	7,40,444
Rates and Taxes	7,84,715	7,77,214
Registration & Renewal Fees	2,15,818	2,08,797
Rent	13,90,642	17,96,392
Repairs and Maintenance - Others	19,77,529	14,27,152
Telephone Expense	3,19,043	5,36,498
TOTAL	13,92,00,073	19,76,02,680



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**NOTE 27: BASIC AND DILUTED EARNINGS PER EQUITY SHARE**

For the purpose of calculation of Basic and Diluted Earnings Per Share, the following amounts are considered :
(Rs.)

	For the period ended 31.12.2020	For the year ended 31.03.2020
Profit Attributable to Equity Shareholders	29,71,521	5,45,38,414
Total	29,71,521	5,45,38,414

(a) Weighted Average No. of Equity Shares Outstanding during the year

- For Basic EPS	3,79,726	3,79,726
- For Diluted EPS	3,79,726	3,79,726

(b) Earnings Per Share

- Basic EPS	7.83	143.63
- Diluted EPS	7.83	143.63
Face Value Per Equity Share (in Rs.)		143.63

(c) Reconciliation between number of shares used for calculating basic and diluted earnings per share

No. of Shares used for calculating Basic EPS	3,79,726	3,79,726
Add: Potential Equity Shares	-	-
No. of Shares used for calculating Diluted EPS	3,79,726	3,79,726

NOTE 28: LIST OF RELATED PARTIES & RELATIONSHIPS

Information in accordance with Accounting Standard 18 on 'Related Parties Disclosures'

Key Management Personnel and their Relatives:	Relationship
Piyush Jain	Managing Director
Sumit Holkar	Director

Enterprise owned or significantly influenced by key managerial personnel and their relatives
Pushpajit Infra Solution Private Limited

List of Related Parties Transactions:

1. Expenditure	(Rs.) Amount
Directors Remuneration*	19,00,000 (21,90,000)

* Figures in brackets represents those of previous year.

NOTE 29: CONTINGENT LIABILITIES

Particulars	(Rs.) Amount
1. Company has received show cause notice dated 06.09.2019 regarding dues of excise duty. Company has disputed the claim and is in the process of preferring appeal against the same.	47,49,972



AARNEEL TECHNOCRAFTS PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

NOTE 30: DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS SPECIFIED BY AS-15

1 Defined Contribution Scheme

Description	(Rs.)	
	31.12.2020	31.03.2020
Employer's Contribution to Provident Fund	16,76,131	23,11,295
Employer's Contribution to Other Funds	3,71,490	6,04,877
Total	20,47,621	29,16,172

2 Defined Benefit Scheme

Obligation in respect of employee's gratuity is unfunded and determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Obligation in respect of Employee's Leave entitlement is unfunded and had been determined based on actuarial valuation using Projected Unit Credit Method. The relevant disclosures under AS-15 are as follows:

Defined Benefit Scheme	31.12.2020		31.03.2020			
	Gratuity	Leave Encashment	Gratuity	Leave Encashment		
(Rs.)						
2.1	Change in the present value of the defined benefit obligation representing reconciliation of opening					
	Liability at the beginning of the year	-	-	-		
	Interest Cost	-	-	-		
	Current Service Cost	-	43,46,755.00	16,63,691.00		
	Actuarial (gain) / loss on obligations	-	-	-		
	Benefits paid	-	-	-1,78,060.00		
	Liability at the end of the year	-	43,46,755.00	14,85,631.00		
2.2	Total actuarial (gain) / loss to be Recognized					
		-	-	-		
2.3	Amount Recognized in Balance Sheet					
	Liability at the end of the year	-	-	-		
	Fair value of Plan Assets at the end of the year	-	43,46,755.00	14,85,631.00		
	Amount Recognized in the Balance Sheet	-	43,46,755.00	14,85,631.00		
2.4	Expenses Recognized in the Income Statement					
	Current Service Cost	-	-	-		
	Interest Cost	-	43,46,755.00	16,63,691.00		
	Expected Return on Plan Assets	-	-	-		
	Net Actuarial (gain) / loss to be Recognized	-	-	-		
	Past Service Cost	-	-	-		
	Expenses Recognized in Profit & Loss Account	-	43,46,755.00	16,63,691.00		
2.5	Balance Sheet Reconciliation					
	Opening Net Liability	-	-	-		
	Expenses as above	-	-	-		
	Employers Contribution	-	43,46,755.00	16,63,691.00		
	Amount Recognized in Balance Sheet	-	43,46,755.00	16,63,691.00		
2.6	Amounts recognized in current year and previous four years	31.12.20	31.03.20	31.03.19	31.03.18	31.03.17
	Defined Benefit Obligation (Gratuity + Leave Encashment Plan Asset)	-	58,32,386	-	-	-
	(Surplus) / Deficit	-	58,32,386	-	-	-
2.7	Principal Actuarial assumptions		31.12.2020		31.03.20	
	Discount Rate - Gratuity		6.55% p.a.		-	
	Discount Rate - Leave Encashment		6.55% p.a.		-	
	Salary Escalation Rate		0% p.a. For next 1 years & 15% p.a. thereafter		-	
	Retirement Age		60 Years		-	
	Mortality Table		IALM (2012-2014)		-	



NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020**Note 31: DISCLOSURE OF CREDITORS OUTSTANDING UNDER MSMED ACT, 2006**

The amount due to small-scale undertakings is furnished under the relevant head, on the basis of information available with the Company regarding small-scale industry status of suppliers. The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid or payable as required under the said Act have not been given.

Sr. No.	Particulars	31.12.2020	31.03.2020
a)	i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	Nil	Nil
	ii) Interest on a) (i) above	Nil	Nil
b)	i) Amount of Principal paid beyond the appointed Date	Nil	Nil
	ii) Amount of interest paid beyond the appointed date (as per Section 16 of the said Act)	Nil	Nil
c)	Amount of Interest due and payable for the year of delay in making payment, but without adding the interest specified under section 16 of the said Act	Nil	Nil
d)	Amount of Interest accrued and due	Nil	Nil
e)	Amount of further interest remaining due and payable Even in succeeding years	Nil	Nil

Note 32 : ADOPTION OF NEW TAX REGIME

The company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, it has recognised Provision for Income Tax for the year on the basis the rate prescribed in the said section.

Note 33 : IMPACT OF COVID 19

The COVID-19 pandemic has severely disrupted business operations due to lockdown and other emergency measures imposed by the governments. The operations of the Company were impacted, due to shutdown of factory and offices following nationwide lockdown. The Company continues with its operations in a phased manner in line with directives from the authorities. The Company has evaluated the impact of this pandemic on its business operations, liquidity and financial position and based on management's review of current indicators and economic conditions there is no material impact on its financial results as at March 31, 2020.

