

MADHU SILICA PRIVATE LIMITED

CIN: U24299GJ1987PTC010073

Regd. office: Plot No. 147, GIDC Estate, Village Vartej, Bhavnagar - 364060

Phone No. +91-278-2541766/2541866 Fax: +91-278-2541200

Email: madhusilica@madhusilica.com

Website: www.madhusilica.com

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| <p>NCLT Convened Meeting of Unsecured Creditors</p> |
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Day : Friday

Date : 12th November, 2021

Time : 3:00 pm

Mode : Through Video Conferencing or other Audio Video Means

MEETING OF UNSECURED CREDITORS OF MADHU SILICA PRIVATE LIMITED

CIN: U24299GJ1987PTC010073

Convened pursuant to an Order dated 23rd August 2021 passed by the
Hon'ble National Company Law Tribunal, Ahmedabad Bench at Ahmedabad

DETAILS OF THE MEETING

| | |
|-------------|--|
| Day | : Friday |
| Date | : 12th November, 2021 |
| Time | : 3:00 am |
| Mode | : Through Video Conferencing or other Audio Video Means |

REMOTE E-VOTING

| | |
|----------------------|--|
| Commencing on | : Tuesday, 12th October, 2021 at 09:00 am |
| Ending on | : Thursday, 11th November, 2021 at 05:00 pm |

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
AHMEDABAD BENCH
C A (CAA) NO. 61 of 2021**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Amalgamation of Darshak Finstock Private Limited with Madhu Silica Private Limited.

MADHU SILICA PRIVATE LIMITED

(CIN: U24299GJ1987PTC010073)

a company incorporated under the Companies Act, 1956,

and having its registered office at Plot No. 147,

GIDC Estate, Village Vartej, Dist. Bhavnagar 364060

in the state of Gujarat..... **Transferee Company**

**NOTICE CONVENING THE MEETING OF UNSECURED CREDITORS OF
MADHU SILICA PRIVATE LIMITED, TRANSFEE COMPANY**

To,

The Unsecured Creditors of Madhu Silica Private Limited, Transferee Company

TAKE NOTICE that by the Order dated 23rd August, 2021 (the 'Order'), the Hon'ble National Company Law Tribunal, Ahmedabad Bench ('NCLT' or 'Tribunal') has directed inter alia that a meeting of Unsecured Creditors of the Transferee Company, be convened and held on Friday, 12th November, 2021 at 3.00 pm through Video Conferencing or Other Audio Visual Modes (VC / OAVM) providing facility of Remote e voting as well as E-Voting at the time of meeting, to consider and if thought fit, to approve with or without modification(s), the proposed Scheme of Amalgamation of Darshak Finstock Private Limited ('Transferor Company') with Madhu Silica Private Limited ('Transferee Company'), under Section 230 to 232 of the Companies Act, 2013 ("Scheme"). The Scheme, if approved by the Unsecured Creditors of Transferee Company, will be subject to the subsequent approval of the Hon'ble Tribunal.

TAKE FURTHER NOTICE that in pursuance of the Order read with general circular issued by Ministry of Corporate Affairs ('MCA') viz. circular no. 14 of 2020 dated April 08, 2020, circular no. 17 of 2020 dated April 13, 2020, circular no. 20 of 2020 dated May 05, 2020 circular No. 22/2020 dated June 15, 2020; No. 33/6 2020 dated September 28, 2020; No. 39/2020 dated December 31, 2020; and No. 10/2021 dated June 23, 2021 (collectively referred to as 'MCA Circulars'), a meeting of Unsecured Creditors of the Transferee Company will be held on Friday, 12th November, 2021 at 3.00 pm, through VC / OAVM. Further, there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of the CoVID-19 pandemic.

TAKE FURTHER NOTICE that 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 Transferee Company and / or from the office of the Advocate Mrs. Swati Saurabh Soparkar, 301, Shivalik-10, Opp. SBI Zonal Office, S. M. Road, Ambavadi, Ahmedabad- 380015, during normal business hours (10:30 a.m. to 6:30 p.m.) from Monday to Friday upto and including the date of the meeting.

TAKE FURTHER NOTICE that Transferee Company has appointed Central Depository Services Limited ('CDSL') for providing VC / OAVM facility and e-voting facility for the meeting of the Unsecured Creditors to consider and approve the Scheme by passing the below mentioned resolution.

The Hon'ble Tribunal has appointed CS Umesh Ved, Practicing Company Secretary, as Chairman for the meeting, CS Devesh Khandelwal, Practicing Company Secretary as Alternative Chairman and CS Sharvil Suthar (Membership No. A44977 and Certificate of Practice Number 20228) of Suthar & Surti, Practicing Company Secretaries, as the Scrutinizer for the meeting of Unsecured Creditors including for any adjournment or adjournments thereof. The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of the Tribunal.

Unsecured Creditors are requested to consider, and if thought fit, to pass with requisite majority, the following resolution:

"RESOLVED THAT pursuant to the directions of Hon'ble National Company Law Tribunal, Ahmedabad Bench (hereinafter

NCLT Convened Meeting Notice**MADHU SILICA PRIVATE LIMITED**

referred to as the 'Tribunal') for convening the meeting of Unsecured Creditors of Madhu Silica Private Limited ('Transferee Company'), vide its Order's dated 23rd August 2021, the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Memorandum and Articles of Association of the Company and subject to the approval of the Tribunal and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed upon by the Board of Directors of the Company (hereinafter referred to as the 'Board'), the arrangement embodied in the proposed Scheme of Amalgamation of Darshak Finstock Private Limited (the 'Transferor Company') with the Transferee Company and their respective shareholders and creditors ('Scheme') placed before this meeting, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is 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 arrangement embodied in 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 may deem fit and proper."

Dated this 29th September, 2021

Sd/-

Umesh Ved

Chairman appointed for the meeting

Registered Office:

Plot No. 147, GIDC Estate,
Village Vartej, Dist. Bhavnagar - 364060
Phone: +91 79 2541766
Email: madhusilica@madhusilica.com
CIN: U65910GJ1991PTC015449

Notes:

1. As per NCLT Order dated 23rd August, 2021 read with general circular issued by Ministry of Corporate Affairs ('MCA') viz. circular no. 14 of 2020 dated April 08, 2020, circular no. 17 of 2020 dated April 13, 2020, circular no. 20 of 2020 dated May 05, 2020 circular No. 22/2020 dated June 15, 2020; No. 33/6 2020 dated September 28, 2020; No. 39/2020 dated December 31, 2020; and No. 10/2021 dated June 23, 2021 (collectively referred to as 'MCA Circulars'), meeting of Unsecured Creditors of Madhu Silica Private Limited will be held through Video Conferencing / Other Audio Visual Means ('VC / OAVM'). The detailed procedure for participation in the meeting through VC / OAVM is as per Note No. 16.
2. Since, the meeting is being held pursuant to NCLT Order and MCA Circulars through VC / OAVM, 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.
3. The quorum for the meeting of the Unsecured Creditors of the Transferee Company shall be 15 (Fifteen) in number as fixed by the NCLT, Ahmedabad Bench vide its Order dated 23rd August, 2021, Unsecured Creditors attending the meeting through VC / OAVM shall be counted for the purpose of reckoning the quorum.
4. **Corporate Unsecured Creditors intending to authorise their representatives to participate and vote through e-voting on their behalf are requested to send a certified copy of the Board Resolution / authorization letter together with attested specimen signature of the duly authorised signatory who are authorised to vote, 48 hours before the meeting to the Company at its registered office or on email id:madhusilica@madhusilica.com**
5. The Unsecured Creditors can join the meeting through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the meeting through VC / OAVM will be made available for all Unsecured Creditor, Chairman appointed for the meeting, Scrutinizers, Advocate, Consultants etc.
6. The Explanatory Statement pursuant to Section 102 read with Section 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.
7. This Notice is being sent to Unsecured Creditors of Transferee Company whose names are appearing in the books of accounts of the Transferee Company as on 15th September, 2021, by electronic mode and whose e-mail addresses are available with the Company for communication purpose. For Unsecured Creditors whose email

addresses are not available with the Company, physical copy is being sent by courier at their registered addresses. In case Unsecured Creditors wish to register their email address with the Company, such Unsecured Creditors may send their request by email at madhusilica@madhusilica.com alongwith his/ her name, address, mobile number, PAN, amount due from the Company.

8. This Notice will be available on the website of Central Depository Services Limited ('CDSL') at **www.evotingindia.com**
9. The Notice convening the meeting will be published through an advertisement in English Daily "The Times of India" Ahmedabad Edition and the other in Gujarati daily 'Sandesh' Saurashtra (Bhavnagar) edition, having circulation in Bhavnagar.
10. Pursuant to NCLT Order read with MCA Circulars, the Company is pleased to provide e-voting facility through CDSL to its Unsecured Creditors as on 15th September, 2021. It is hereby clarified that it is mandatory for Unsecured Creditors to vote using the e-voting facility only, subject to compliance with the instructions for e-voting. The voting right may be exercised either by remote e-voting within prescribed period OR by e-voting during / after the meeting being convened through VC / OAVM.
11. It is clarified that casting of votes by remote e-voting (prior to the Meeting) does not disentitle an Unsecured Creditor from attending the Meeting. However, any Unsecured Creditor who has voted through e-voting prior to the Meeting cannot vote during the Meeting. The Unsecured Creditors attending the Meeting through VC/ OAVM who have not cast their vote through remote e-voting prior to the Meeting shall be entitled to exercise their vote made available during the Meeting through VC/ OAVM.

(Unsecured Creditors are requested to use User ID and Password for e-voting as printed on address sticker in case of physical copy and as mentioned in covering e-mail in case of soft copy).

The information and other instructions regarding remote e-voting and e-voting at the meeting are detailed in Note No. 16

As directed by the Hon'ble Tribunal, Mr. Sharvil Suthar, Independent Practicing Company Secretary (Membership No. A44977 and Certificate of Practice Number 20228) of M/s. Suthar & Surti, has been appointed as the Scrutinizer to scrutinize the e-voting during the meeting and remote e-voting process in a fair and transparent manner.

12. 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 Transferee Company, on website of Transferee Company **<https://madhusilica.com>** and on the website of CDSL immediately after declaration.
13. The number and value of debt of the Unsecured Creditors of the Company shall be in accordance with the entries in the books of accounts of the Company as on date of the meeting, and where entries in the records are disputed, the Chairman of the meeting shall determine the value for the purpose of the meeting.
14. The Scheme shall be considered approved by the Unsecured Creditors of the Transferee Company if the resolution mentioned above in the notice has been approved by a majority of persons representing three-fourths in value of the Unsecured Creditors in terms of Section 230 to 232 of the Act.
15. Since the meeting will be held through VC / OAVM in accordance with the NCLT Order and MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
16. **Voting Process and other instructions regarding e-voting:**

Section A: Remote e-voting process

The voting period begins on Tuesday, 12th October, 2021 at 09:00 am and shall end on Thursday, 11th November, 2021 at 05:00 pm. During this period, Unsecured Creditors of the Transferee Company as on 15th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The Unsecured Creditors should follow the following steps to cast their votes electronically:

- Step 1: Open your web browser during the voting period and log on to the e-voting website: www.evotingindia.com
- Step 2: Click on 'CREDITORS' to cast your vote(s).
- Step 3: Please enter USER ID as printed on address sticker in case of physical copy and as mentioned in covering email in case of soft copy.
- Step 4: Enter the Image Verification as displayed and Click on 'LOGIN'.
- Step 5: Please enter PASSWORD as printed on address sticker in case of physical copy and as mentioned

in covering email in case of soft copy.

- Step 6: After entering these details appropriately, click on 'SUBMIT' tab.
- Step 7: Click on the EVSN of 'MADHU SILICA PRIVATE LIMITED' to vote.
- Step 8: On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES / NO' for voting. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution. Select the option YES or NO as desired for casting your vote.
- Step 9: Click on 'RESOLUTION FILE LINK' if you wish to view the Notice.
- Step 10: After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- Step 11: Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

You can also take print-out of the voting done by you by clicking on 'CLICK HERE TO PRINT' option on the voting page.

Note for Non – Individual Creditors

- Step 1: Non-Individual Unsecured Creditors are also required to follow the above process for remote e-voting.
- Step 2: Non Individual Unsecured Creditors are required to send the scanned certified copy of the Board Resolution / authorization letter together with attested specimen signature of the duly authorised signatory who are authorised to vote, atleast 48 hours before the meeting to the Company at madhusilica@madhusilica.com.

Section B: Instructions regarding e-voting during meeting

- Step 1: The procedure for e-voting on the day of the meeting is same as the instructions mentioned above for remote e-voting.
- Step 2: Only those Unsecured Creditors, who will be present at the meeting through VC / OAVM facility and have not cast their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available at the meeting.
- Step 3: If any votes are casted by the Unsecured Creditors through e-voting available during the meeting and if the same Unsecured Creditors have not participated in the meeting through VC / OAVM facility, then the votes cast by such Unsecured Creditors shall be considered invalid as the facility of e-voting during the meeting is available only to the Unsecured Creditors participating in the meeting.
- Step 4: Unsecured Creditors who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the meeting.

For all grievances connected with the facility for voting by electronic means, please contact Rakesh Dalvi- 022-23058542, Nitin Kunder - 022 - 23058738 and Mehboob Lakhani - 022 - 23058543, or send an email to helpdesk.evoting@cdslindia.com.

17. Instruction for attending the meeting through VC / OAVM:

- Unsecured Creditors will be provided with a facility to attend the meeting through VC / OAVM through the CDSL e-voting system. Creditors may access the same at <https://www.evotingindia.com> under Shareholders / Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Shareholder / Members login where the EVSN of the Company will be displayed.
- Unsecured Creditors are encouraged to join the meeting through Laptops / Desktops for better experience. Further, the Unsecured Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that participants connecting from Mobile devices or Tablets or through Laptop connected 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.
- Unsecured Creditors who would like to express their views / have questions may send their views / questions 7 days prior to meeting mentioning their name, email id, mobile number at madhusilica@madhusilica.com and register themselves as a speaker. Only those Unsecured Creditors who have registered themselves as a speaker will be allowed to express their views / ask questions during the meeting.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,**AHMEDABAD BENCH****C A (CAA) NO. 61 of 2021**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Amalgamation of Darshak Finstock Private Limited with Madhu Silica Private Limited.

MADHU SILICA PRIVATE LIMITED

(CIN: U24299GJ1987PTC010073)

a company incorporated under the Companies Act, 1956,

and having its registered office at Plot No. 147,

GIDC Estate, Village Vartej, Dist. Bhavnagar 364060

in the state of Gujarat **Transferee Company**

EXPLANATORY STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE MEETINGS OF EQUITY SHAREHOLDERS AND UNSECURED CREDITORS OF MADHU SILICA PRIVATE LIMITED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL

1. Pursuant to the Order dated 23rd August, 2021 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench (the 'NCLT' / 'Tribunal'), in Company Application No. CA (CAA) No. 61 of 2021 ('Order'), the meeting of the Equity Shareholders and Unsecured Creditors of Darshak Finstock Private Limited ('Transferor Company') has been dispensed with. Meetings of Secured Creditors of both Applicant Companies are held to be not necessary as there are no Secured Creditors in either of the Transferor and Transferee Companies. Whereas separate meetings of the Equity shareholders and Unsecured Creditors of Madhu Silica Private Limited ('Transferee Company') are directed to be convened and held on Friday, 12th November, 2021 at 11.00 am and 3.00 pm respectively through VC / OAVM facility, for the purpose of considering, and if thought fit, approving, Scheme of Amalgamation of Transferor Company with Transferee Company in terms of Section 230-232 and other applicable provisions of the Companies Act, 2013.
2. A copy of the Scheme, which has been, inter alia, unanimously approved by the Board of Directors of the Transferor and Transferee Company at their respective meetings held on 1st February, 2021, is enclosed herewith as **Annexure I**.
3. The Board took into account and approved the recommendations in the Share Exchange Ratio Certificate obtained from Mr. Krunal Sheth, the Registered Valuer while considering the Scheme. The Share Exchange Ratio Certificate is enclosed herewith as **Annexure II**.
4. The Scheme provides for amalgamation of the Transferor Company with the Transferee Company with effect from the Appointed Date as provided in the Scheme and the consequent issue of shares by the Transferee Company to the members of the Transferor Company in the manner set out in this Scheme.
5. **PARTICULARS OF DARSHAK FINSTOCK PRIVATE LIMITED (DFPL / Transferor Company)**
 - 5.1 DFPL is a Private Limited Company, incorporated on 16th April 1991 under the provisions of the Companies Act, 1956, with the Registrar of Companies, Gujarat having its registered office at Plot No. 147, GIDC Estate, Village Vartej, Bhavnagar - 364060 in the state of Gujarat. DFPL is mainly engaged into business of financing and investing. It is a Non-systematically Important Core Investment Company, as defined vide RBI Regulations and as such it is not regulated by RBI. The CIN and PAN of Transferor Company are U65910GJ1991PTC015449 and AACD7494G respectively.
 - 5.2 Main Objects of the Transferor Company:
 1. To carry on the business of financing the business enterprises, industrial or otherwise to receive money and make

loans on interest, give guarantees and provide securities to any other company or enterprises and to cat as financial advisors and consultants.

2. To acquire by original subscription, buy, sell, invest, hold and deal in shares, stocks, debentures, bonds and securities of all kinds and descriptions.
3. To invest and acquire, buy, sell any land, building, shops and apartments of all kinds and to let out on hire or rent, and to receive moneys, rents profits, commissions, crops from such lands, buildings, factory sheds, shops, apartments.

OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS:

10. To amalgamate, enter into partnership or make arrangement for sharing profits or losses, union of interests, co-operation, joint venture or reciprocal concessions with any person or Company carrying on or engaged in or about to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company and to give or accept by way of consideration for any of the acts or things aforesaid or properties acquired, any shares, debentures, debentures stock or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures debenture-stock or securities so received.
- 5.3 There is no change in name, registered office and object clause of the Transferor Company in last five years.
- 5.4 Share capital of the Transferor Company as on 31st March, 2021 is as under:-

| Authorised Share Capital | Amount in Rs. |
|---|----------------------|
| 20,000 Equity Shares of Rs 100/- each | 20,00,000 |
| TOTAL | 20,00,000 |
| Issued, Subscribed & Paid-Up Share Capital | Amount in Rs. |
| 20,000 Equity Shares of Rs 100/- each fully paid | 20,00,000 |
| TOTAL | 20,00,000 |

There is no change in the capital structure of the Transferor Company after the aforesaid date.

- 5.5 Shareholding pattern of the Transferor Company as on 30th April, 2021 is as under:

| S.N. | Name of shareholders | No of shares held | Amt paid up per share (Rs.) | % holding |
|-------------|-----------------------------|--------------------------|------------------------------------|------------------|
| 1. | Ramesh V. Shah | 10,375 | 100 | 51.88% |
| 2. | Kalpna R. Shah | 5,375 | 100 | 26.88% |
| 3. | Darshak R. Shah | 3,000 | 100 | 15.00% |
| 4. | Reena D. Shah | 1,250 | 100 | 6.25% |
| | TOTAL | 20,000 | 100 | 100 |

- 5.6 Details of the Promoters of the Transferor Company are as under:

| S.N. | Name of Promoter | Address | No. of Shares held in Transferor Company |
|-------------|-------------------------|---|---|
| 1 | Ramesh V. Shah | Plot No. 1890/A, Vasudha, Atabhai Chowk, Near Rupani Circle, Bhavnagar – 364002 | 10,375 |
| 2 | Kalpna R. Shah | Plot No. 1890/A, Vasudha, Atabhai Chowk, Near Rupani Circle, Bhavnagar – 364002 | 5,375 |
| | TOTAL | | 15,750 |

5.7 Details of the Directors of the Transferor Company as on 30th April, 2021 are as under:

| S.N. | Name of Director | Address | No. of Shares held in Transferor Company | Category |
|------|-------------------------------------|---|--|----------|
| 1 | RAMESHCHANDRA SHAH DIN: 00062983 | Plot No. 1890/A, Vasudha, Atabhai Chowk, Near Rupani Circle, Bhavnagar – 364002 | 10,375 | Director |
| 2 | DARSHAK SHAH DIN: 00063063 | Plot No. 1887, Rupani Circle, Near Safal Apartment Bhavnagar – 364001, Gujarat | 3,000 | Director |
| 3 | KALPNABEN SHAH DIN: 00290701 | Plot No. 1890/A, Vasudha, Atabhai Chowk, Near Rupani Circle, Bhavnagar – 364002 | 5,375 | Director |

6. PARTICULARS OF MADHU SILICA PRIVATE LIMITED (MSPL / Transferee Company / the Company)

6.1 Madhu Silica Private Limited is a private limited company, incorporated on 20th October 1987 under the provisions of the Companies Act 1956, with the Registrar of Companies, Gujarat having its registered office at Plot No. 147, GIDC Estate, Village Vartej, Bhavnagar - 364060 in the state of Gujarat. MSPL is mainly engaged in the business of manufacturing precipitated Silicas and Silicates of different grades used for various industries like Tyre, Rubber, Footwear, Oral Healthcare, Cosmetics, Pharma applications, Food applications, plastics and paint applications etc. The CIN and PAN of the Company are U24299GJ1987PTC010073 and AABCM4381J respectively.

6.2 Main Objects of the Transferee Company:

- To carry on the business as manufacturers, dealers, importers, exporters, wholesalers, agents in precipitated silica, reinforcing silica, super reinforcing silica, micronised silica and its various grades, and forms and all its bye products.
- To carry on the business as manufacturers, dealers, importers, exporters, buyers, sellers, and commission agents in catalysts promoters moderators used in chemical and allied industries, organic and inorganic compounds, solvents used in rubber, pesticides, cosmetics dyes, paints, paper, plastic and other allied industries.

OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS:

- To amalgamate, enter into partnership or make arrangement for sharing profits, union of interests, co-operation, joint venture or reciprocal concession or for limiting competition, with any individual, person, firm, body, corporation or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly benefit the company.
- 6.3 There is no change in name, registered office and object clause of the Transferee Company in last five years.
- 6.4 Share capital of the Transferee Company as on 31st March, 2021 is as under:-

| Authorised Share Capital | Amount in Rs. |
|--|---------------------|
| 10,00,000 Equity Shares of Rs. 100/- each | 10,00,00,000 |
| TOTAL | 10,00,00,000 |
| Issued, Subscribed & Paid-Up Share Capital | Amount in Rs. |
| 9,18,344 Equity Shares of Rs. 100/- each | 9,18,34,400 |
| TOTAL | 9,18,34,400 |

There is no change in the capital structure of the Transferee Company since the above referred date.

NCLT Convened Meeting Notice**MADHU SILICA PRIVATE LIMITED**

6.5 Shareholding pattern of the Transferee Company as on 30th April, 2021 is as under:

| S.N. | Name of shareholders | No of shares held | Amt paid up per share (Rs.) | % holding |
|------|---------------------------|-------------------|-----------------------------|----------------|
| 1. | Shah Rameshchandra | 2,60,029 | 100 | 28.31 |
| 2. | Rameshchandra Shah (HUF) | 1,33,063 | 100 | 14.49 |
| 3. | Shah Darshak | 2,90,772 | 100 | 31.66 |
| 4. | Darshak Shah (HUF) | 2,421 | 100 | 0.26 |
| 5. | Kalpna Shah | 1,06,754 | 100 | 11.62 |
| 6. | Rina Shah | 25,060 | 100 | 2.73 |
| 7. | RV Shah Family Trust | 36,000 | 100 | 3.92 |
| 8. | Darshak Finstock Pvt. Ltd | 45,045 | 100 | 4.91 |
| 9. | Bharat Raut | 9,600 | 100 | 1.05 |
| 10. | Bharat Raut (HUF) | 1,440 | 100 | 0.16 |
| 11. | Manas Raut | 480 | 100 | 0.05 |
| 12. | Vidya Raut | 7,680 | 100 | 0.84 |
| | TOTAL | 9,18,344 | 100 | 100.00% |

6.6 Details of the Promoters of the Transferee Company are as under:

| S.N. | Name of Promoter | Address | No. of Shares held in Transferor Company |
|------|------------------|---|--|
| 1 | RAMESH V. SHAH | Plot No. 1890/A, Vasudha, Atabhai Chowk, Near Rupani Circle, Bhavnagar – 364002 | 2,60,029 |
| 2 | DARSHAK SHAH | Plot No. 1887, Rupani Circle, Near Safal Apartment Bhavnagar – 364001, Gujarat | 2,90,772 |
| | TOTAL | | |

6.7 Details of the Directors of the Transferee Company as on 30th April, 2021 are as under:

| S.N. | Name of Director | Address | No. of Shares held in Transferor Company | Category |
|------|---------------------------------------|--|--|--------------------|
| 1 | RAMESHCHANDRA SHAH DIN: 00062983 | Plot No. 1890/A, Vasudha, Atabhai Chowk, Near Rupani Circle, Bhavnagar – 364002 | 2,60,029 | Wholetime Director |
| 2 | DARSHAK SHAH DIN: 00063063 | Plot No. 1887, Rupani Circle, Near Safal Apartment Bhavnagar – 364001, Gujarat | 2,90,772 | Director |
| 3 | NEEPA UDAYKANT MEHTA DIN: 01780860 | 202, Shree Vinayak Residency, Radha Krishna Char Rasta, Akota, Vadodara – 390020, Gujarat. | 0 | Director |

7. RELATIONSHIP SUBSISTING BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEE COMPANY

Both Transferor Company and Transferee Company belong to same group of management. There are common Directors on the Board of the Transferor and Transferee Companies. Apart from the above, there is no other relationship between the Transferor Company and the Transferee Company.

8. PURPOSE AND RATIONALE OF THE SCHEME

Both the Applicant companies belong to the same group of management. The rationale for the proposed Scheme is set out below:

- i. Simplification of group structure by eliminating multiple companies thus enabling focus on core competencies and unlocking of value.
- ii. Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- iii. Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, improved procurement, usage of common resource pool like human resource, administration, finance, accounts, legal, technology and other related functions, leading to elimination of duplication and rationalization of administrative expenses.
- iv. Healthier and larger balance sheet of both entities is expected to improve the credit profile, thereby enhancing the competitive positioning.
- v. The Scheme will help amalgamated entity in sharpening its competitiveness and developing its core competencies, in the long term, through cost savings and benefit of economies of scale. It would result in greater integration, greater financial strength and flexibility of the amalgamated entity which will improve the competitive position of the combined entity.

In view of the aforesaid advantages, the Board of Directors of the Applicant Companies have considered and proposed the Scheme of Amalgamation under provisions of Section 230 to Section 232 and other relevant provisions of the Companies Act, 2013.

9. MATERIAL PROVISIONS OF THE SCHEME**“2. DEFINITIONS**

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

- 2.1 **“Act” or “the Act”** means the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;
- 2.4 **“Appointed Date”** means 1st April, 2021, or such other date as may be directed by the NCLT and is the date with effect from which the Scheme shall upon sanction by the NCLT, be deemed to be operative;
- 2.6 **“Effective Date”** means the date on which the certified copies of the Order of National Company Law Tribunal, Ahmedabad Bench under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 sanctioning the Scheme are filed with the Registrar of Companies, Gujarat at Ahmedabad.
- 2.7 **“NCLT” or “National Company Law Tribunal”** means the National Company Law Tribunal, Ahmedabad Bench or such other forum or authority as may be vested with any of the power to approve the Scheme under the Act;
- 2.8 **“Scheme”, “the Scheme”, “this Scheme”** means this Scheme of Amalgamation, with or without any modification approved or imposed or directed by the Tribunal;
- 2.10 **“Undertaking”** means and includes the whole undertaking and entire business of the Transferor Company as a going concern, including, without limitation:
 - (a) all the movable and immovable properties, tangible or intangible, including all computers and accessories, software, applications and related data, equity shares, preference shares, if any and other securities of associate/ subsidiary/ joint venture companies, plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory including, cables, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, inverters, electrical fittings, submersible pumps, electrical erections, earthing and lighting systems, cash in hand,

amounts lying in the banks, investments, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold/ leasehold rights, brands, sub-letting tenancy rights, leave and license permissions, goodwill, other intangibles, industrial and other licenses, approvals, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties, etc., all earnest monies and/ or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature 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;

- (b) all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/ or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company;
- (c) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertaking, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff orders, expression of interest, letter of intent, hire purchase agreements, lease/ licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims and clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder;
- (d) investments in shares, debentures and other securities held by the Transferor Company;
- (e) all the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Company; and
- (f) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the business of the Transferor Company.
- (g) all the employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.

4. TRANSFER AND VESTING OF THE UNDERTAKING

- 4.1 Upon the coming into effect of the Scheme with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the NCLT and pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and all other provisions of applicable law, if any as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, 1961 without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 4.2 Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date: -

- a) All the estate, assets (including intangible assets), properties, investments of all kinds, rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Transferor Company, comprised in the Undertaking of whatsoever nature and where-so-ever situated shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.
- b) such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed date the assets and properties of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- c) All other movable properties of the Transferor Company, including investments of all kinds, sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, shall without any further act, instrument or deed, cost or charge, be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.
- d) The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to the Act 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.
- e) All immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof. It is however clarified that the applicable stamp duty for such transfer on amalgamation under the order of the Hon'ble Tribunal shall be duly paid.
- f) All lease license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in

favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent or lease or license fee as provided for in such agreements, and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.

- g) All permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof and the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.
- h) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, its rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of that Transferor Company.
- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any membership, deposit, advances, receivables or claims) arising or accruing there from, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits its, rights, entitlements, licenses, memberships of the Transferee Company. Such property and rights shall stand vested in the Transferee Company and shall be deemed to have become the property of the Transferee Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.
- j) All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.
- k) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, goods and services tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/

credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Transferee Company with effect from Appointed Date in terms of section 72A of Income Tax Act.

- l) The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, goods and services tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- m) All statutory rights and obligations of Transferor Company would vest on/accrue to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or Central and/or State Goods and Services Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relatable to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfilment of its obligations.
- n) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall stand transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken and complied with by the Transferee Company.
- o) The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall stand 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 as applicable, or any other applicable statutory provisions, then the said limits 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.
- p) Such of the assets comprised in the Undertaking and which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.

4.3 Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date: -

- a) all the Liabilities, whether or not provided in the books of the Transferor Company, shall without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities 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 same.
- b) all Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.

- c) any Liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
- d) all loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but 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 shall stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
- e) loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

8. CONSIDERATION

- 8.1 The Transferee Company shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date in the following Ratio ("Share Entitlement Ratio"):
- "259 (Two Hundred Fifty Nine) fully paid up Equity shares of Rs.100/- (Rupees One Hundred only) each of MSPL, the Transferee Company for every 100 (One Hundred) fully paid Equity shares of Rs.100/- (Rupees One Hundred only) each held by such shareholder in DFPL, the Transferor Company."**
- 8.2 The Share Exchange Ratio has been arrived at on basis of the valuation report of Mr. Krunal Manojbhai Sheth, a Registered Valuer.
- 8.3 No new shares shall be issued by the Transferee Company against the shares of the Transferee Company held by the Transferor Company and the same shall stand automatically cancelled by operation of law.
- 8.4 The shares to be issued and allotted by the Transferee Company in terms of Clause 8.1 above shall be subject to the provisions of the Memorandum and Articles of association of the Transferee Company and shall rank paripassu in all respects with the existing shares of Transferee Company.
- 8.5 In respect of fractional entitlement to a shareholder, the same shall be rounded off to the nearest integer.
- 8.6 Upon the Scheme being effective and upon the shares of the Transferee Company being issued to the shareholders of the Transferor Company, the Shares held in the Transferor Company shall stand cancelled.
- 8.7 The issue and allotment of shares by the Transferee Company to the equity shareholders of the Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 62(1) (c) of the Act and any other applicable provisions were duly complied with.

9. ACCOUNTING TREATMENT

Upon the scheme becoming effective the Transferee Company shall account for the amalgamation of the Transferor Company in the books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix C of IND-AS 103 (Business Combinations of entities under common control) as under:

- 9.1 All the assets, and liabilities in the books of the Transferor Company shall be recorded by the Transferee Company in its books of accounts at their respective carrying amounts as appearing in the books the Transferor Company. No adjustment shall be made to reflect fair values, or recognize any new assets of liabilities.
- 9.2 The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appear in the financial statements of the Transferor Company, prior to this Scheme being made effective.
- 9.3 In case of any differences in accounting policy between Transferor Company and Transferee Company the accounting policies followed by Transferee will prevail and difference till the Appointed Date shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy

- 9.4 The carrying amount of investments in the equity shares of the Transferor Company to the extent held by the Transferee Company (if any), shall stand cancelled.
- 9.5 Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Company and Transferee Company as appearing in their books of accounts, if any, shall stand cancelled.
- 9.6 Comparative financial information in the financial statements of the transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.
- 9.7 The balance of the retained earnings appearing in the financial statements of the Transferor Company will be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.
- 9.8 The surplus/ deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of Clause 9.1 over the sum of (a) the face value of the new shares issued and allotted pursuant to Clause 8; and (b) the value of investments cancelled if any pursuant to Clause 9.4 shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.
- 9.9 Without prejudice to what is stated in clause 9.1 to 9.8 above, any issue, which may arise in respect of accounting treatment to be given to the balances, assets, liabilities, reserves, capital, goodwill etc. in the books of account of Transferor and Transferee Company as the case may be, the Board of Directors of the respective Companies in consultation with the auditors of the respective Companies shall resolve the said issue/s considering the provisions of the Act and applicable Accounting Standards.

10. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act, instrument or deed, stand dissolved without following the process of Winding up.

11. CONSOLIDATION OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM OF ASSOCIATION

- 11.1 As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Transferor Company amounting to Rs. 20, 00,000/- or the amount as on the Effective Date shall, without any further act, instrument or deed or payment of filing fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Transferee Company.
- 11.2 Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, stand altered, modified and amended pursuant to Sections 13, 61 and 62 of the Act and other applicable provisions of the Act, as the case may be and be replaced accordingly.
- 11.3 It is further clarified that under the accepted principle of single window clearance, the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for the proposed amendment of the Capital clause of the Memorandum of Association of the Transferee Company, under the provisions of Section 13, 61 and 62 of the Act and other applicable provisions of the Act. The Transferee Company shall not be required to pass separate resolutions or undertake any further procedure as required under the Act, nor any additional fees or stamp duty, shall be payable by the Transferee Company.
- 11.4 Consequent to the clubbing of the Authorised Share Capital of the Transferor Company with the Transferee Company, the Authorized Share Capital of the Transferee Company shall be increased to Rs. 10,20,00,000/-
- 11.5 The following clause V in the Memorandum of Association of the Transferee Company shall stand amended to be read as under:

Clause V of Memorandum of Association

"The Authorized Share Capital of the Company is Rs. 10,20,00,000/- (Rupees Ten Crores Twenty Lakh Only) divided into 10,20,000 (Ten Lakh Twenty Thousand) Equity Shares of Rs. 100/- (Rupees Hundred only) each."

The material provisions set out above being only the salient features of the Scheme of Amalgamation, the Equity Shareholders and Unsecured Creditors are requested to read the entire text of the Scheme as attached hereto to get fully acquainted with the provisions thereof.

SHARE EXCHANGE RATIO CERTIFICATE

The Share Exchange Ratio Certificate dated 22nd January, 2021, provided by Mr. Krunal Sheth, the Registered Valuer, enclosed herewith as **Annexure II**, recommends the fair share exchange ratio for the proposed Scheme of Amalgamation.

10. PRE AND POST ARRANGEMENT CAPITAL STRUCTURE

The pre arrangement capital structure of the Transferee Company and Transferor Company as on 31st March, 2021 is given above in point 5.4 and 6.4 above.

The post arrangement capital structure of the Transferee Company is as follows:

| Authorised Share Capital | Amount in Rs. |
|---|----------------------|
| 10,20,000 Equity Shares of Rs. 100/- each | 10,20,00,000 |
| TOTAL | 10,20,00,000 |
| Issued, Subscribed & Paid-Up Share Capital | Amount in Rs. |
| 9,25,099 Equity Shares of Rs. 100/- each | 9,25,09,900 |
| TOTAL | 9,25,09,900 |

There will not be any post arrangement capital structure of the Transferor Company as the company will get dissolved without following the process of Winding up.

11. APPROVALS TAKEN / PENDING IN RELATION TO THE SCHEME

- Both the Transferor and the Transferee Companies or any of them would obtain such necessary approvals/ sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
 - The joint application along with the requisite annexures thereto was filed by the Companies with the NCLT, on 28th July, 2021.
 - A copy of the Scheme has been filed by the Transferor and Transferee Company with the Registrar of Companies, Gujarat on 1st September, 2021.
- 12.** There are no proceedings/investigations pending against any of the Transferor and Transferee Company under Sections 210 – 217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013 ('Act'). No winding up proceedings or any proceeding under Insolvency and Bankruptcy Code been filed or are pending against the Transferor Company and the Transferee Company under the Act.
- 13.** As per the books of accounts of the Transferor Company as on 15th September, 2021, the amount due to the Unsecured Creditors are Nil. As per the books of accounts of the Transferee Company as on 15th September, 2021, the amount due to the Unsecured Creditors are Rs. 37,96,53,679/-.
- 14.** Pursuant to the proposed amalgamation, the members of Transferor Company will receive fully paid-up equity shares of Transferee Company. No new shares shall be issued by the Transferee Company against the shares of the Transferee Company held by the Transferor Company and the same shall stand automatically cancelled by operation of law. The Scheme is not expected to have any adverse effect on the directors, promoters, non-promoter members, depositors, creditors, and employees of the Transferor Company and the Transferee Company, wherever relevant.
- 15.** Report adopted by the Board of Directors of the Transferor Company and the Transferee Company, at their respective meetings held on 27th September, 2021 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013 explaining the effect of Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders are enclosed herewith as **Annexure III**.
- 16.** The Audited Financial Statements of the Transferor Company and the Transferee Company for the Financial Year ended 31st March, 2021 are enclosed herewith as **Annexure IV**.
- 17.** Unaudited Financial Statements of the Transferor and the Transferee Companies as on 31st July, 2021 are enclosed herewith as **Annexure V**.

18. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents shall be available for obtaining extract from or for making copies of or for inspection by the Equity Shareholders and Unsecured Creditors at the Registered Office of the Transferee Company during normal business hours (9:30 am to 6:30 pm) from Monday to Friday up to and including the date of the meeting:

- a) Copy of Order dated 23rd August, 2021 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench, in relation to Company Scheme Application No. 61 of 2021, directing inter alia the calling, convening and conducting of the meeting of Equity shareholders and Unsecured Creditors of Transferee Company;
- b) Memorandum and Articles of Association of the Transferor and the Transferee Companies;
- c) Audited Financial Statements of the Transferor and the Transferee Companies for the Financial Year ended 31st March, 2021;
- d) Unaudited Financial Statements of the Transferor and the Transferee Companies as on 31st July, 2021,
- e) Copy of Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders and creditors;
- f) Copy of Resolutions passed by the respective Board of Directors of the Transferor and the Transferee Companies approving the Scheme;
- g) Copy of Certificates issued by the Statutory Auditors of the Transferee Company, stating that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
- h) Copy of Share Exchange Ratio Certificate issued to the Transferor and the Transferee Company.
- i) Copy of Form No. GNL-1 filed by the Applicant Companies with the concerned Registrar of Companies along with challan evidencing filing of the Scheme with the concerned Registrar of Companies

Considering the rationale and benefits, the Transferee Company recommends the Scheme for approval of Equity shareholders and Unsecured Creditors as it is in the best interest of the Company and its stakeholders.

The Directors of the Transferor Company and the Transferee Company may be deemed to be concerned and / or interested in the Scheme only to the extent the said Directors are the directors or members of the companies that hold shares in the Transferor and Transferee Company or to the extent the said Directors or their relatives are common directors in the Transferor Company and/ or the Transferee Company. Save as aforesaid, none of the Directors and their relatives of the Companies have any material interest in the proposed Scheme. Their interest in both the Transferor and the Transferee Companies shall not be treated in any way differently than the other Members of the Transferor Company and Transferee Company.

Dated this 29th September, 2021

Registered Office:

Plot No. 147, GIDC Estate,
Village Vartej, Dist. Bhavnagar - 364060
Phone: +91 79 2541766
Email: madhusilica@madhusilica.com
CIN: U24299GJ1987PTC010073

Sd/-
Umesh Ved
Chairman appointed for the meeting

**SCHEME OF AMALGAMATION
OF
DARSHAK FINSTOCK PRIVATE LIMITED
(‘TRANSFEROR COMPANY’)
WITH
MADHU SILICA PRIVATE LIMITED
(‘TRANSFeree COMPANY’)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This Scheme is presented pursuant to the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013, as may be applicable, and also read with Section 2(1B) and other relevant provisions of the Income Tax Act 1961 (IT Act), as applicable for the amalgamation of the Transferor Company into and with the Transferee Company, on a going concern basis.

1. DESCRIPTION OF COMPANIES

- A. Darshak Finstock Private Limited is a Private Limited Company incorporated on 16th April, 1991 under the provisions of the Companies Act, 1956, with the Registrar of Companies, Gujarat. The Corporate Identification Number (CIN) of the Company is U65910GJ1991PTC015449. The registered office of the Company is situated at Plot No. 147, GIDC Estate, Village Vartej, Bhavnagar - 364060 in the state of Gujarat. The Company is a Core Investment Company, as defined vide RBI Regulations. It is engaged into business of financing and investing.
- B. Madhu Silica Private Limited is a Private Limited Company incorporated on 20th October, 1987 under the provisions of the Companies Act 1956, with the Registrar of Companies, Gujarat. The Corporate Identification Number (CIN) of the Company is U24299GJ1987PTC010073. The registered office of the Company is situated at Plot No. 147, GIDC Estate, Village Vartej, Bhavnagar - 364060 in the state of Gujarat. The Company is engaged into the business of manufacturing Precipitated Silicas and Silicates.

RATIONALE FOR THE SCHEME OF AMALGAMATION

The rationale for the proposed Scheme is set out below:

- (i) Simplification of group structure by eliminating multiple companies thus enabling focus on core competencies and unlocking of value.
- (ii) Greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- (iii) Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, improved procurement, usage of common resource pool like human resource, administration, finance, accounts, legal, technology and other related functions, leading to elimination of duplication and rationalization of administrative expenses.
- (iv) Healthier and larger balance sheet of both entities is expected to improve the credit profile, thereby enhancing the competitive positioning.
- (v) The Scheme will help amalgamated entity in sharpening its competitiveness and developing its core competencies, in the long term, through cost savings and benefit of economies of scale. It would result in greater integration, greater financial strength and flexibility of the amalgamated entity which will improve the competitive position of the combined entity.

2. DEFINITIONS

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

- 2.1. **“Act” or “the Act”** means the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;
- 2.2. **“Transferor Company”** means Darshak Finstock Private Limited, or ‘DFPL’ a company incorporated under Companies Act, 1956 having its registered office at Plot No. 147, GIDC Estate, Village Vartej, Bhavnagar - 364060;
- 2.3. **“Transferee Company”** means Madhu Silica Private Limited, or ‘MSPL’ a company incorporated under Companies Act, 1956 having its registered office at Plot No. 147, GIDC Estate, Village Vartej, Bhavnagar - 364060;
- 2.4. **“Appointed Date”** means 1st April, 2021, or such other date as may be directed by the NCLT and is the date with effect from which the Scheme shall upon sanction by the NCLT, be deemed to be operative;
- 2.5. **“Board of Directors” or “Board”** in relation to each of the Companies, as the case may be, means the Board of Directors of such company and shall, unless repugnant to the context, include a committee of directors or any person authorized by the Board of Directors or such committee of Directors;
- 2.6. **“Effective Date”** means the date on which the certified copies of the Order of National Company Law Tribunal, Ahmedabad Bench under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 sanctioning the Scheme are filed with the Registrar of Companies, Gujarat at Ahmedabad.
- 2.7. **“NCLT” or “National Company Law Tribunal”** means the National Company Law Tribunal, Ahmedabad Bench or such other forum or authority as may be vested with any of the power to approve the Scheme under the Act;
- 2.8. **“Scheme”, “the Scheme”, “this Scheme”** means this Scheme of Amalgamation, with or without any modification approved or imposed or directed by the Tribunal;
- 2.9. **“Encumbrance”** means:
 - (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law;
 - (ii) A contract to give or refrain from giving any of the foregoing;
 - (iii) Any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and
 - (iv) any adverse claim as to title, possession or use; and the term “Encumbered” shall be construed accordingly;
- 2.10. **“Undertaking”** means and includes the whole undertaking and entire business of the Transferor Company as a going concern, including, without limitation:
 - (a) all the movable and immovable properties, tangible or intangible, including all computers and accessories, software, applications and related data, equity shares, preference shares, if any and other securities of associate/ subsidiary/ joint venture companies, plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory including, cables, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, inverters, electrical fittings, submersible pumps, electrical erections, earthing and lighting systems, cash in hand, amounts lying in the banks, investments, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold/ leasehold rights, brands, sub-letting tenancy rights, leave and license permissions, goodwill, other intangibles, industrial and other licenses, approvals, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables,

whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties, etc., all earnest monies and/ or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature 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;

- (b) all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/ or security deposits, payment against warrants, if any, or other entitlements of the Transferor Company;
- (c) all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertaking, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff orders, expression of interest, letter of intent, hire purchase agreements, lease/ licence agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims and clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder;
- (d) investments in shares, debentures and other securities held by the Transferor Company;
- (e) all the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Company; and
- (f) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the business of the Transferor Company.
- (g) all the employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.

All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, as applicable, the Income Tax Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

3. SHARE CAPITAL

3.1. The capital structure of the Transferor Company as on 31st March 2021 is as under:

| Authorised Share Capital | Amount in Rs. |
|---|----------------------|
| 20,000 Equity Shares of Rs. 100/- each | 20,00,000 |
| TOTAL | 20,00,000 |
| Issued, Subscribed & Paid Up Share Capital | Amount in Rs. |
| 20,000 Equity Shares of Rs. 100/- each | 20,00,000 |
| TOTAL | 20,00,000 |

There has been no change in the issued, subscribed and paid up share capital of DFPL till date.

3.2. The capital structure of the Transferee Company as on 31st March, 2021 is as under:

| Authorised Share Capital | Amount in Rs. |
|---|----------------------|
| 10,00,000 Equity Shares of Rs. 100/- each | 10,00,00,000 |
| TOTAL | 10,00,00,000 |
| Issued, Subscribed & Paid Up Share Capital | Amount in Rs. |
| 9,18,344 Equity Shares of Rs. 100/- each | 9,18,34,400 |
| TOTAL | 9,18,34,400 |

There has been no change in the issued, subscribed and paid up share capital of MSPL till date.

4. TRANSFER AND VESTING OF THE UNDERTAKING

- 4.1. Upon the coming into effect of the Scheme with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the NCLT and pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and all other provisions of applicable law, if any as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act, 1961 without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
- 4.2. Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of the Scheme and with effect from the Appointed Date:-
- a) All the estate, assets (including intangible assets), properties, investments of all kinds, rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts of the Transferor Company, comprised in the Undertaking of whatsoever nature and where-so-ever situated shall, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds, rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.
 - b) such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed date the assets and properties of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
 - c) All other movable properties of the Transferor Company, including investments of all kinds, sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, shall without any further act, instrument or deed, cost or charge, be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.
 - d) The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the NCLT, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to the Act 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.
 - e) All immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be

entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT in accordance with the terms hereof. It is however clarified that the applicable stamp duty for such transfer on amalgamation under the order of the Hon'ble Tribunal shall be duly paid.

- f) All lease license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent or lease or license fee as provided for in such agreements, and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants thereunder. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.
- g) All permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof and the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.
- h) All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, its rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of that Transferor Company.
- i) Without prejudice to the generality of the foregoing, all leave and license agreements/deeds, lease agreements/deeds, bank guarantees, corporate guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any membership, deposit, advances, receivables or claims) arising or accruing there from, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the NCLT, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits its, rights, entitlements, licenses, memberships of the Transferee Company. Such property and rights shall stand vested in the Transferee Company and shall be deemed to have become the property of the Transferee Company by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.

- j) All the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.
 - k) All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, goods and services tax, service tax, excise duty, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc., up to Appointed Date, shall be available to Transferee Company with effect from Appointed Date in terms of section 72A of Income Tax Act.
 - l) The Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, goods and services tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilized by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
 - m) All statutory rights and obligations of Transferor Company would vest on/accrue to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or Central and/or State Goods and Services Tax Act or any other act for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relating to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfilment of its obligations.
 - n) Benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall stand transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken and complied with by the Transferee Company.
 - o) The resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall stand 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 as applicable, or any other applicable statutory provisions, then the said limits 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.
 - p) Such of the assets comprised in the Undertaking and which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.
- 4.3. Without prejudice to the generality of Clause 4.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date.
- a) all the Liabilities, whether or not provided in the books of the Transferor Company, shall without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the

extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities 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 same.

- b) all Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
- c) any Liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
- d) all loans raised and utilized, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but 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 shall stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.
- e) loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

5. EMPLOYEES

- 5.1. Upon the coming into effect of this Scheme, all employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.
- 5.2. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.
- 5.3. The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's

position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

- 5.4. The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

6. LEGAL PROCEEDINGS

- 6.1. All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.
- 6.2. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.
- 6.3. The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Transferor Company transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

7. CONDUCT OF BUSINESS

- 7.1. With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Transferee Company;
 - (b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by the Transferor Company for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;
 - (c) any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company;
 - (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in a foreign country, sales tax, valued added tax, goods and services tax, excise duty, customs duty, service tax, VAT, tax refunds) payable by or refundable to the Transferor Company, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Transferor Company) as the case may be, of the Transferee Company, and any unabsorbed tax losses and depreciation, etc., as would have been available to the Transferor Company on or before the Effective Date, shall be available to the Transferee Company upon the Scheme coming into effect; and
- 7.2. Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or with effect from the Appointed Date till the Effective Date. The Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company.

8. CONSIDERATION

- 8.1. The Transferee Company shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Transferor Company whose name is recorded in the register of members of the Transferor Company on the Record Date in the following Ratio ("**Share Entitlement Ratio**"):

“259 (Two Hundred Fifty Nine) fully paid up Equity shares of Rs.100/- (Rupees One Hundred only) each of MSPL, the Transferee Company for every 100 (One Hundred) fully paid Equity shares of Rs.100/- (Rupees One Hundred only) each held by such shareholder in DFPL, the Transferor Company.”

- 8.2. The Share Exchange Ratio has been arrived at on basis of the valuation report of Mr. Krunal Manojbhai Sheth, a Registered Valuer.
- 8.3. No new shares shall be issued by the Transferee Company against the shares of the Transferee Company held by the Transferor Company and the same shall stand automatically cancelled by operation of law.
- 8.4. The shares to be issued and allotted by the Transferee Company in terms of Clause 8.1 above shall be subject to the provisions of the Memorandum and Articles of association of the Transferee Company and shall rank paripassu in all respects with the existing shares of Transferee Company.
- 8.5. In respect of fractional entitlement to a shareholder, the same shall be rounded off to the nearest integer.
- 8.6. Upon the Scheme being effective and upon the shares of the Transferee Company being issued to the shareholders of the Transferor Company, the Shares held in the Transferor Company shall stand cancelled.
- 8.7. The issue and allotment of shares by the Transferee Company to the equity shareholders of the Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 62(1) (c) of the Act and any other applicable provisions were duly complied with.

9. ACCOUNTING TREATMENT

Upon the scheme becoming effective the Transferee Company shall account for the amalgamation of the Transferor Company in the books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix C of IND-AS 103 (Business Combinations of entities under common control) as under:

- 9.1. All the assets, and liabilities in the books of the Transferor Company shall be recorded by the Transferee Company in its books of accounts at their respective carrying amounts as appearing in the books the Transferor Company. No adjustment shall be made to reflect fair values, or recognize any new assets of liabilities.
- 9.2. The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appear in the financial statements of the Transferor Company, prior to this Scheme being made effective.
- 9.3. In case of any differences in accounting policy between Transferor Company and Transferee Company the accounting policies followed by Transferee will prevail and difference till the Appointed Date shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy
- 9.4. The carrying amount of investments in the equity shares of the Transferor Company to the extent held by the Transferee Company (if any), shall stand cancelled.
- 9.5. Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Company and Transferee Company as appearing in their books of accounts, if any, shall stand cancelled.
- 9.6. Comparative financial information in the financial statements of the transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period.
- 9.7. The balance of the retained earnings appearing in the financial statements of the Transferor Company will be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.
- 9.8. The surplus/ deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of Clause 9.1 over the sum of (a) the face value of the new shares issued and allotted pursuant to Clause 8; and (b) the value of investments cancelled if any pursuant to Clause 9.4 shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.
- 9.9. Without prejudice to what is stated in clause 9.1 to 9.8 above, any issue, which may arise in respect of accounting treatment to be given to the balances, assets, liabilities, reserves, capital, goodwill etc. in the books of account of Transferor and Transferee Company as the case may be, the Board of Directors of the respective

Companies in consultation with the auditors of the respective Companies shall resolve the said issue/s considering the provisions of the Act and applicable Accounting Standards.

10. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act, instrument or deed, stand dissolved without following the process of winding up.

11. CONSOLIDATION OF AUTHORISED SHARE CAPITAL AND AMENDMENT OF MEMORANDUM OF ASSOCIATION

11.1. As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Transferor Company amounting to Rs. 20, 00,000/- or the amount as on the Effective Date shall, without any further act, instrument or deed or payment of filing fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Transferee Company.

11.2. Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, stand altered, modified and amended pursuant to Sections 13, 61 and 62 of the Act and other applicable provisions of the Act, as the case may be and be replaced accordingly.

11.3. It is further clarified that under the accepted principle of single window clearance, the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for the proposed amendment of the Capital clause of the Memorandum of Association of the Transferee Company, under the provisions of Section 13, 61 and 62 of the Act and other applicable provisions of the Act. The Transferee Company shall not be required to pass separate resolutions or undertake any further procedure as required under the Act, nor any additional fees or stamp duty, shall be payable by the Transferee Company.

11.4. Consequent to the clubbing of the Authorised Share Capital of the Transferor Company with the Transferee Company, the Authorized Share Capital of the Transferee Company shall be increased to Rs. 10,20,00,000/-.

11.5. The following clause V in the Memorandum of Association of the Transferee Company shall stand amended to be read as under:

Clause V of Memorandum of Association

"The Authorized Share Capital of the Company is Rs. 10,20,00,000/- (Rupees Ten Crores Twenty Lakh Only) divided into 10,20,000 (Ten Lakh Twenty Thousand) Equity Shares of Rs. 100/- (Rupees Hundred only) each."

12. CONDITIONS TO EFFECTIVENESS OF THE SCHEME

The Scheme is conditional upon and subject to:

- (a) The Transferor and Transferee Company jointly making the requisite company applications/petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the NCLT for seeking sanction of this Scheme.
- (b) The approval by the requisite majority of the shareholders and creditors of the Companies, as may be directed by the NCLT or any other competent authority, as may be applicable.
- (c) Such other filings, approvals and sanctions, as may be required by law from the relevant authorities in respect of the Scheme;
- (d) the NCLT having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to the Companies; and
- (e) Such certified/authenticated copy of the order of the NCLT sanctioning this Scheme being filed with the Registrar of Companies, Gujarat, by the Companies.

In case any of the conditions in the Scheme are not satisfied or waived, then the Companies shall be at liberty to withdraw the Scheme.

13. DIVIDEND

13.1. The Companies shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.

13.2. The holders of the shares of the Companies shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

- 13.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Companies to demand or claim any dividends which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.

14. APPLICATIONS

- 14.1. The Companies shall undertake requisite procedure for filing necessary application and petition before the Ahmedabad Bench of NCLT under Section 230 to 232 of the Act, seeking orders for dispensing with or convening, holding and/or conducting of the meeting(s) of the classes of their respective shareholders and creditors and for sanctioning this Scheme with such modifications, as may be approved by the NCLT.
- 14.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

15. MODIFICATIONS TO THE SCHEME

The Companies (by their respective Board of Directors) may, in their full and absolute discretion:

- (a) assent to any alteration(s) or modification(s) to this Scheme which NCLT and/or any other Governmental Authority may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
- (b) give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law);
- (c) modify or vary this Scheme; or
- (d) if any part of this Scheme is found to be unworkable for any reasons whatsoever withdraw this Scheme prior to the Effective Date in any manner at any time; or
- (e) Determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.

16. THE SCHEME TO BE OPERATIVE

- 16.1. The Scheme shall come into operation from the Appointed Date but the same shall become effective on and from the Effective Date.
- 16.2. With effect from the Effective Date, the Transferee Company shall carry on and shall be authorized to carry on the businesses of the Transferor Company. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.
- 16.3. The Transferor Company and the Transferee Company shall be entitled to, amongst other, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax returns, Goods and Service Tax returns, excise returns, VAT returns, entry tax returns, professional tax returns or any other statutory returns, if required. The Transferee Company shall be entitled to claim credit for advance tax paid, tax deducted at source, claim for deduction of sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written off by Transferor Company previously disallowed in the hands of Transferor Company under the Income Tax Act, credit of tax under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to the Transferor Company as may be required consequent to implementation of this Scheme and where necessary to give effect to 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 or any other sum. The Transferee Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it 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 the Transferee Company shall be entitled to claim credit or refund for such taxes or duties.

- 16.4. Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted at source and deposited by the Transferor Company on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Company on transactions other than inter se transactions during the period between Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company. Any TDS deducted by, or on behalf of, the Transferor Company on inter se transactions will be treated as tax deposited by the Transferee Company.
- 16.5. Transfer and vesting of assets and liabilities of the Transferor Company (including intangible assets, whether or not recorded in the books) as the case may be is not a sale in the course of business or otherwise.
- 17. COSTS**
- All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of or payable by the Companies in relation to or in connection with the Scheme and incidental to the completion of the Amalgamation in pursuance of the Scheme shall be borne by the Transferee Company.

VALUATION REPORT

FOR

AMALGAMATION

OF

DARSHAK FINSTOCK PRIVATE LIMITED

WITH AND INTO

MADHU SILICA PRIVATE LIMITED

JANUARY 2021

Issued by

KRUNAL MANOJBHAI SHETH

IBBI REGISTERED VALUER FOR SECURITIES OR FINANCIAL SECURITIES

REGISTRATION NO. IBBI/RV/06/2019/11598



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(I) Letter to Company

Date: 22nd January 2021

To,
The Board of Directors,
Madhu Silica Private Limited,
Plot No. 147, GIDC Estate, Vil. Vartej, Dist. Bhavanger-364060
Gujarat, India

Sub: Our report on fairness of exchange ratio with regard to issue of shares on account of amalgamation of Darshak Finstock Private Limited with and into Madhu Silica Private Limited

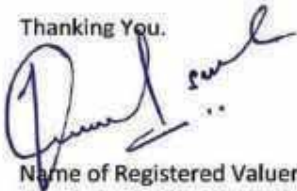
Dear Sirs,

We have been appointed by the Board of Directors of Madhu Silica Private Limited for providing Opinion/Recommendation on the share exchange ratio and working out fair value of shares in relation to the proposed amalgamation of Darshak Finstock Private Limited (herein after referred to as 'DFPL') with Madhu Silica Private Limited (herein after referred to as 'MSPL' or 'Company'). Accordingly, we have undertaken the valuation exercise of shares of DFPL and MSPL to give opinion on/recommend the fair share exchange ratio for the proposed amalgamation of DFPL with and into MSPL. December 01, 2020 (herein after referred to as Valuation Date) has been considered as Valuation date for the purpose of this valuation exercise and financial position as on 30.11.2020 has been considered. The proposed Amalgamation is to be done under the relevant provisions of the Companies Act.

On the basis of our examination of relevant records provided to us during the assignment, we hereby submit our report along with relevant annexures. Our report summarizes results of working of fair price of equity and recommendation for fair exchange ratio for issue of shares of MSPL to the equity shareholders of DFPL upon amalgamation with and into MSPL.

We would like to thank you for the co-operation extended to us by you and your team in providing various relevant information for the purpose of assignment.

Thanking You.



Name of Registered Valuer: Krunal Manojbhai Sheth
IBBI Reg No: IBBI/RV/06/2019/11598
ICAI Membership No. 127504
UDIN: 21127504AAAAAB8474



Place: Ahmedabad
Date: 22nd January, 2021

(II) Background Information of the asset being valued

This valuation exercise has been done for the purpose of working out fair exchange ratio in relation to the proposed merger being envisaged between Madhu Silica Private Limited and Darshak Finstock Private Limited.

Basic information about the company has been listed hereunder:

MSPL:

(source: details received from the company and website of the company)

- Madhu Silica Pvt. Ltd. (MSPL), a limited company bearing registration number U24299GJ1987PTC010073, registered under the companies act 1956 and having its registered office at Plot No. 147, GIDC Estate, Vartej, Bhavnagar, Gujarat - 364060, is engaged into the business of Precipitated Silicas and Silicates.
- MSPL is world's leading manufacturer of Precipitated Silicas and Silicates.
- MSPL's more than 50 grades of Precipitated silicas today find usage in end applications in various industries.
- Apart from large Indian market, the company exports their products to more than 40 countries.
- MSPL is an ISO certified organization, registered for REACH with compliance to several other standards and country specific requirements.
- Facilities:
 - World class manufacturing facilities to give customer satisfaction through Consistency in Quality
 - In house Rubber, Dental, Paint Application Labs.
 - World class Research & Development Centre, since 1996, recognized by DSIR, New Delhi, India.
- Key products of the company are Precipitated Silica and Alumino Silicates.
- Various grades of Silica manufactured by company find their application in varied number of industries such as Tyre, Rubber, Footwear, Misc. Rubber applications, Oral Healthcare, Cosmetics, Pharma applications, Food/Feed Applications, Specialty applications, Polymer/Plastics/Paints applications (Gel route silicas) etc.

DFPL:

(Source: source: details received from company)

- Darshak Finstock Pvt. Ltd. (DFPL), a limited company bearing registration number U65910GJ1991PTC015449, registered under the companies act 1956 and having its registered office at Plot No. 147, GIDC Estate, Vartej, Bhavnagar, Gujarat - 364060, is engaged into the business of financing and investing.



(III) Purpose of Valuation & Appointing Authority

Purpose of this Report:

We have been informed by the company as under:

- There is a proposal before the Board of Directors of MSPL and DFPL for Amalgamation of DFPL with and into MSPL as per the provisions of Section 230 to 232 of the Companies Act, 2013. Under the Scheme of Amalgamation, the shareholders of DFPL will be issued shares of MSPL/Cash equivalent, pursuant to share exchange ratio decided upon by the board of the Company and approved by the shareholders of the Company.
- Further, we have been informed that amalgamating as well as amalgamated company belong to the same group as majority of the shareholders are common. One of the key objectives of the amalgamation is to consolidate the shareholding and reflect the combined net-worth of group companies.
- Valuation date for this purpose has been considered as December 01, 2020.
- The report shall be exclusively used for all purposes as would be required for getting clearances from all the applicable regulatory authorities/approval for giving effect to the Amalgamation of DFPL with and into MSPL.
- This report sets out our recommendation of the share exchange ratio and discusses the methodologies and approach considered in the computation of share exchange ratio.

Appointing Authority:

- We have been appointed by the Board of Directors of MSPL to give our report on the share exchange ratio, that is to say, the number of equity shares to be allotted by MSPL to the shareholders of DFPL on amalgamation of the company with and into MSPL.



(IV) Identity of the Valuer & Disclosure of Valuer Interest

Identity of Valuer:

- I am a Registered Valuer registered with Insolvency and Bankruptcy Board of India for the asset class of Securities or Financial Assets. My registration no. is IBBI/RV/06/2019/11598.
- I am also a practicing Chartered Accountant and a member of Institute of Chartered Accountants of India with Membership no.127504.

Involvement of other Experts:

- There are no other experts involved in this valuation exercise.

Disclosure of Valuer Interest:

- In past, for following professional assignments for MSPL, I was directly or indirectly involved:
 - In the year 2019, Quantification of Estimated Damages to MSPL arising out of breach of confidentiality and Intellectual Property Violations.
 - In the year 2019, I had issued a valuation report for the purpose of proposed scheme of amalgamation of Darshak Finstock Private Limited with and into Madhu Silica Private Limited. I have been informed by the management that the amalgamation proposed at that time was delayed due to situation arose pursuant to the Covid-19 pandemic.
 - In the year 2017, a firm of Chartered Accountants in which I (Krunal Manojbhai Sheth) was a partner had done valuation of equity shares under section 236 of Companies Act 2013 pursuant to offer of majority shareholders for acquisition of equity shares from minority shareholders.
- Our involvement with MSPL for the above assignments were purely on professional terms and we hereby confirm that there exists no Conflict of Interest with the appointing authority or any other person which would affect our independence or conclusion on valuation.

(V) Date of Appointment, Valuation Date & Date of Report

Date of Appointment:

- We have been appointed vide appointment letter dated 16th July, 2020.

Valuation Date & Date of Report:

- December 01, 2020 has been considered as the date of valuation and date of this report has been mentioned at the end.



(VI) Nature & Sources of Information used and relied upon

Sources of Information:

- For the purpose of assignment, we have relied broadly upon the following information made available to us by MSPL and DFPL (herein after collectively referred to as 'Companies'):
 - Memorandum and Articles of Association of the companies.
 - Audited Financial Statement of MSPL for the period for Financial Year 2016-17, 2017-18, 2018-19 & 2019-20.
 - Provisional financial figures of MSPL for the period of 1st April, 2020 to 30th November, 2020.
 - Estimated Financials of MSPL for Financial Year 2020-21.
 - Financial projections of MSPL from Financial Year 2021-22 to FY 2025-26.
 - Audited Financial Statement of DFPL for Financial Year 2019-20.
 - Audited Financial Statement of Aquagel Chemicals (Bhavnagar) Private Limited for Financial Year 2019-20.
 - Provisional Financial statement of DFPL and Aquagel Chemicals (Bhavnagar) Private Limited for the period from 1st April, 2020 to 30th November, 2020.
 - Details about the market value of the assets wherever required.
 - Other relevant details such as its history, present activities, and other relevant information as required from time to time from management of the companies as well as from public domain.
 - Other relevant information and explanations (including verbal) from the executives of the companies from time to time.
- We have also obtained other required information from the public domain which includes unless otherwise mentioned various sources.



(VII) Procedure adopted in valuation & Valuation approach

- The objective and purpose of the valuation has been stated in Section III of this Report. The Valuation exercise has been carried out bearing in mind the said purpose.
- The principles, concepts and methods on the basis of which determination of the business valuation is done are briefly discussed hereunder.
- Basis of Valuation vary from asset to asset and the uncertainty associated with the value estimates is different for different assets. Valuation is not an exact science. It is not an algebraic problem which can be solved by an abstract formula. It is quite true in all valuations, judicial or otherwise, there must be room for inferences and indications of opinion which being more or less conjectural, all difficult to reduce to exact reasoning or to explain to others. However, the core principles remain the same.
- An important concept of valuation of Equity/Business is that of the "willing buyer and willing seller". Fair market value can be defined as the price which would be arrived at under the conditions obtaining as a result of negotiations between a willing and informed buyer and a willing and informed seller. The value at which the Business would be sold or bought under forced circumstances might differ from its fair value.
- The valuation exercise has been carried out on the basis of ICAI Valuation Standards 2018 (herein after referred to as ICAIVS) issued by Valuation Standards Board ICAI & ICAI Registered Valuers Organisation of the Institute of Chartered Accountants of India and internationally accepted valuation standards (herein after referred to as IVS) issued by International Valuation Council. Relevant key aspects of the said Valuation Standards have been highlighted hereunder.
- For the present valuation exercise, for both companies, Fair Value is the base of valuation and the premise of valuation is Going Concern.
- ICAI Valuation Standards mention that Fair value is 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 valuation date. The proposed transaction for which this valuation exercise has been undertaken meets the criteria of fair value and hence base of valuation for the present valuation is Fair Value for the companies.
- ICAI valuation standards provide that Going concern value is the value of a business enterprise that is expected to continue to operate in the future. We have been informed that Companies intends to continue as a going concern and there are no plans to liquidate the same in near future. Hence, we have used going concern as the premise of valuation for the present exercise for both the companies.
- Standard Approaches & Methods commonly used in valuation are as follows:
 - Market Approach:
 - Comparable Company Multiple method / Guideline Public Company Method
 - Comparable Transaction Multiple Method/ Guideline Transaction Method

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- Market Price method (prescribed by ICAI Valuation Standards)
- Income Approach:
 - Price Earning Capitalization Value method (PECV)
 - Discounted cash flow valuation method (DCF)
- Cost Approach:
 - Replacement Cost Method
 - Reproduction Cost Method
 - Summation Method (prescribed by IVS)

➤ **Market Approach**

As per ICAI Valuation Standard-103, Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

- *Comparable Companies Multiple Method, also known as Guideline Public Company Method, involves valuing an asset based on market multiples derived from prices of market comparables traded on active market.*

Also, as per IVS- 105 - The guideline publicly traded method utilises information on publicly-traded comparables that are the same or similar to the subject asset to arrive at an indication of value.

Under Guideline Public Company method, valuation is done based on certain multiples (such as Sales, Profits, Book Value etc.) of the publicly listed companies which are in similar business/industry and comparable on parameters like business model, products, sales, geography, size etc. The Guideline Public Company Method (GPCM) is founded on the concept that companies within similar industries or similar positions within their industries will have similar valuations or characteristics upon which a valuation can be based – whether that company is public or private. It is vital to understand the subject company's market, product lines and several other aspects to identify comparable public companies.

The method should be used only when the subject asset is sufficiently similar to the publicly-traded comparable to allow for meaningful comparison. In our analysis, there are no comparable publicly listed companies to MSPL & DFPL which can be used as a basis for valuation of the company and hence we have not used this method for valuation of the companies.

- *ICAI Valuation Standard 103 - Comparable Transaction Multiple Method, also known as 'Guideline Transaction Method' involves valuing an asset based on transaction multiples derived from prices paid in transactions of asset to be valued /market comparable (comparable transactions).*

As per IVS-105 - The comparable transactions method, also known as the guideline transaction method, utilises information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value.

Guideline Transaction Method (GTM) entails valuation based on market multiples determined by reviewing published data regarding actual transactions in either publicly traded or closely



held companies similar in terms of several parameters such as industry, product lines, market, growth, margins and risk. The Guideline Transactions Method is founded on the concept that detailed private company financial data is unlikely to be available but transaction value does become available, and, on such occasion, that valuation can be used as a tool to provide a valuation for other similar companies.

A main challenge in determining whether a transaction can be considered within a data set of comparable is the lack of information often present in research database or in the public spectrum. Further each deal would be unique and involves many parameters applicable to the particular company being valued and/or particular transaction. Hence unless a transaction comparable in majority aspects to the business/company being valued and the details in relation to the same are available, use of this method is not advisable.

In our analysis, there are no comparable transactions which can be used as a basis for valuation of MSPL & DFPL and hence we have not used this method for valuation of the companies.

- *The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in.*

MSPL & DFPL are not publicly listed. The equity shares are not traded on any recognized stock exchange. Hence, the Market price method is not considered for valuation of the companies.

➤ **Income Approach**

As per ICAI Valuation standard 103 - Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

As per IVS 105 The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.

The following are some of the instances where a valuer may apply the income approach:

- a) *where the asset does not have any market comparable or comparable transaction;*
 - b) *where the asset has fewer relevant market comparable; or*
 - c) *where the asset is an income producing asset for which the future cash flows are available and can reasonably be projected.*
- Discounted Cash Flow Method involves discounting future amounts (cash flows/income/cost savings) to a single present value. While arriving at fair value of shares, due consideration is to be given to the potential earning capacity. Hence the projected working results i.e. what the business is capable of earning in the near future, are considered appropriate with emphasis on the DCF method which is a more scientific and an accepted method of evaluating the value of an undertaking.



For valuation of MSPL, we have used DCF method. Use of DCF method for valuation is not advisable for investment companies like DFPL and hence we have not used this method for valuation of DFPL.

- *As per ICAI Valuation standard 103 - Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.*

In above para, ICAI valuation standard talks about converting the maintainable amount to a single current amount. The standard here refers about the capitalization of maintainable amount of profit i.e. Price Earning Capitalization Value (PECV) method.

IVS 105, Para 50.10: In some instances, particularly when the asset is operating at a stabilised level of growth and profits at the valuation date, it may not be necessary to consider an explicit forecast period and a terminal value may form the only basis for value (sometimes referred to as an income capitalisation method).

This method is suitable for companies which are in mature stage of business such as MSPL. Sometimes it is not always advisable to depend upon future profits especially when past profit has not shown a consistent trend. In case of MSPL, past profits have not shown the linear trend and hence to substantiate our valuation as per DCF method which exclusively relies on the future profits, we have also used the said valuation method.

Use of PECV method for valuation is not advisable for investment companies like DFPL and hence we have not used this method for valuation of DFPL.

➤ **Cost Approach**

As per ICAI Valuation standard 103, Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

As per IVS 105, the cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

- *As per ICAI Valuation Standard-103, The following are the two most commonly used valuation methods under the Cost approach:*
 - a) *Replacement Cost Method, also known as 'Depreciated Replacement Cost Method' involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.*



b) *Reproduction Cost Method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence.*

➤ *As per IVS 105, Broadly, there are three cost approach methods:*

- a) *replacement cost method: a method that indicates value by calculating the cost of a similar asset offering equivalent utility,*
- b) *reproduction cost method: a method under the cost that indicates value by calculating the cost to recreating a replica of an asset, and*
- c) *summation method: a method that calculates the value of an asset by the addition of the separate values of its component parts*

➤ *On analysing the definitions of valuation methods under the cost approach, replacement cost and reproduction cost method seems relevant for the non-financial physical asset as the same refers about the physical properties and obsolescence. As per Ind AS 32, financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity. MSPL holds assets having nature of non-financial physical asset as well as financial assets. In our opinion, these methods will not reflect correct value of its all type of assets. Hence, for valuation of MSPL, we have not considered these methods of valuation. DFPL does not hold any physical assets having non-financial nature. It's all assets are of financial nature. Hence, these methods are not considered for valuation of DFPL.*

➤ *ICAI valuation standards para 7 mentions that "In some engagements, a valuer is required to adopt valuation bases prescribed by regulations or as agreed upon between the parties. In those cases, valuation bases will be applied considering the relevant regulations, agreement or arrangement,...."*

In case of MSPL, its Article of Association (AOA) has provided the manner of valuation of shares of the company in case of inter se transfers between the existing shareholders. The relevant para is reproduced hereunder for the reference.

Clause 13.2.4. Manner of Valuation of Shares proposed to be transferred

The value/price of the shares for the transfer of shares as envisaged in this article shall be the book value of the shares of the company arrived at by an independent valuer who shall be chartered accountant with minimum 15 years of experience in practice as chartered accountant, as appointed by the board of directors of the company. The valuation shall be arrived at by the valuer on the basis of the latest audited balance sheet to be made out as on the date as nearly as circumstances permit near to the date of proposed share transfer and as required under the Income Tax Act, 1961 or any amendment thereof, and the value so arrived at shall be the fair value and shall be binding on both the investor shareholder and the promoters.

We have been informed that amalgamating as well as amalgamated company belong to the same group as majority of the shareholders are common. One of the key objectives of the amalgamation is to consolidate the shareholding and reflect the combined net-worth of group companies.



Considering the said contractual arrangement between the shareholders through AOA, we have considered book value of equity shares as per the last audited balance sheet (i.e. March 31, 2020) as one of the methods for valuation and have assigned it a higher weightage.

DFPL is engaged into the business of Financing and Investing. All the assets held by DFPL are in nature of investments in financial assets. Valuation based on market value of assets is ideal for those assets which are held in nature of investments. Accordingly, for valuation of DFPL, Net Asset Value with market/fair value as basis has been considered.

- To summarize the various aspects as highlighted above, the present valuation exercise has been conducted with Fair Value (unless prescribed otherwise) as the basis of valuation and Going Concern as the premise of valuation. Further, Cost approach has also been used for the valuation exercise.
- Considering the above aspects and summarizing the matter,
 - For valuation of MSPL, we have used weighted average of two approaches as listed hereunder:
 - Cost Approach with Book Value Method with higher weightage and
 - Income Approach.
 - Under Income Approach, two methods i.e. Price Earning Capitalization Value (PECV) and Discounted Cash Flow Valuation (DCF) have been used with equal weightage.
 - For valuation of DFPL, we have used Net Asset Value with market/fair value as basis under cost Approach.
- Aspects related to valuation of the companies have been described in the next section.



(VIII) Valuation Computation

Aspects related to valuation computation of all the companies have been discussed hereunder:

1) Madhu Silica Private Limited

- To arrive at the fair value per equity share of MSPL, we have used weighted average of two approaches as listed hereunder:
 - Cost Approach with Book Value Method having higher weightage
 - Income Approach with two methods of valuation having equal weightage i.e.
 - Price Earning Capitalization Value (PECV)
 - Discounted Cash Flow Valuation (DCF)
- Cost Approach with Book Value Method (BV)
 - Under Book Value Method (BV) method, valuation is done by arriving at book value per share.
 - To arrive at the book value per equity share of MSPL, we have considered Net Worth of the company as at 31st March, 2020 which is INR 695.16 Crores. We have considered the net-worth as at 31st March, 2020 because latest audited balance sheet as on this date is available to us and as per the provisions of articles of association of the company, we have to consider book value as on the date of latest audited balance sheet.
 - The Net Worth is then divided by number of outstanding equity shares as on valuation date to arrive at the book value per equity share which comes to INR 7,570.
- Price Earning Capitalization Value (PECV)
 - Under Price Earning Capitalization Value (PECV) method, valuation is done by capitalizing past profits of the company at certain rate known as capitalization rate. Key valuation aspects under this method have been discussed hereunder:
 - Profits Before Tax (PBT) as per audited financials for the last 3 financial years (FY 2017-18, FY 2018-19 and 2019-20) have been considered for valuation under this method.
 - We have considered simple average of PBT for these three financial years to arrive at the average PBT for three years. Non-operating income for each year has been removed from the above PBT. Present Income tax rate has been applied on this average PBT so as to arrive at average Profit After Tax (PAT).
 - Cost of Equity which has been considered as discounting factor for valuation under DCF method has been considered as capitalisation rate for PECV as well.



- By capitalising the average profits of the said 3 years, we get the equity value of INR 493.78 Cr.

➤ **Discounted Cash Flow Valuation (DCF)**

- The Discounted Free Cash Flows method is one of the most rigorous approaches for valuation of a business/asset/equity. In this method, the projected free cash flows from business operations are discounted at the weighted average cost of capital and sum of such discounted free cash flows is the value of the business. In case of valuation of equity, projected free cash flows to equity are discounted at the cost of equity to arrive at the value of equity.
- Using the Discounted Free Cash Flows method involves determining the following:
 - Estimating future free cash flows,
 - The time frame of the cash flows,
 - Appropriate Discount rate to be applied to cash flows
 - The continuing value i.e. the cumulative value of the free cash flows beyond the explicit forecast period which is also known as Terminal Value
 - Value of cash and cash equivalents

- **Free Cash Flows to Equity (FCFE)**

FCFE are the cash flows expected to be generated by the Company that are available to providers of the Company's equity capital. The free cash flows are determined by adding non-cash items such as depreciation and amortization to profit after tax. The above is adjusted for (i) change in working capital requirements (ii) investments in capital expenditure and other assets (iii) change in Borrowings as well as (iv) change in non-current assets and liabilities. Free cash flows thus calculated will be equal to the sum of the cash flows available to Equity Shareholders

- **Time Frame of Cash Flows**

A problem faced in valuing a business is its indefinite life, especially where the valuation, as in the present case, is on a going concern basis. This problem could be tackled by separating the value of the business into two-time periods viz. explicit forecast period and post explicit forecast period. In such a case, the value of business will be value of free cash flows generated during the explicit forecast period and value of free cash flows generated during the post explicit forecast period. While projected free cash flows of the explicit forecast period could be estimated on the basis of business plan, the free cash flows of the post explicit forecast period could be estimated using an appropriate method. In the present case, we have been furnished with the projections for a period of 6 years from FY 2020-21 to FY 2025-26, which constitutes the explicit forecast period.

- **Appropriate Discounting Rate i.e. Cost of Equity**



- The cost of equity has been determined using the Capital Assets Pricing Model. For this purpose, the formula used is as under:

$$\text{CAPM (Ke)} = R_f + \beta (R_m - R_f)$$

Where:

CAPM (Ke) = Discount rate derived from Capital Assets Pricing Model

R_f = Risk free rate of return

β = Beta factor as a measure of the systematic risk

R_m = Representative Market Return

(R_m – R_f) = Equity Market premium (ERP)

- Capital-Asset Pricing Model (CAPM) describes the relationship between systematic risk and expected return for assets, particularly stocks. CAPM is widely used throughout finance for pricing risky securities and generating expected returns for assets given the risk of those assets and cost of capital. (source: Investopedia).

- Risk Free Rate

The risk-free rate is generally based on the returns available from long-term Government Bonds and securities. These returns are used since they represent a very low default risk, are liquid (freely tradable) and include the expected long-term inflation premium. Based on current yield of various top traded long term government securities, risk free rate has been considered as 5.91% in the present case. (Source: in.investing.com)

- Beta (β)

Systematic risk is measured in the CAPM by a factor known as beta. The computation of the same has been arrived at as follows:

We have used database available on website of Mr Ashwath Damodaran who is world renowned, work as a professor at New York University and considered to be an authority on the subject of financial valuation. On the basis of product portfolio of MSPL and as discussed with management, company can be classified into Speciality Chemical Industry. Industry wise beta of Indian listed companies are available on the website of Mr Damodaran. From the same we have considered Unlevered Cash Beta of Chemical (speciality) Industry which is calculated on the basis of beta of one hundred and forty seven listed companies in India. The said unlevered beta which is 1.15 has been used since MSPL is debt free company.

- Equity Risk Premium

The Equity Risk Premium (ERP) is the additional amount of return over the risk-free rate that is required to compensate the investor for the additional risk of investing in the equity. It is typically measured by the amount by which historical returns in the equity security markets, over a long period of time, have



exceeded the returns from risk free investments. Such historical return from investment in the equity markets is considered as the market return. We have considered market return as average of return from BSE Sensex and NSE Nifty since inception. The average of BSE & NSE returns works out to 13.12% which we have considered as Market Return (Rm). Based on this, the equity risk premium work out to 8.28%.

- Size Premium

Under the CAPM, Equity risk premium is derived based on the large cap companies. Hence it represents risk premium for investment in large cap companies wherein generally risks are comparatively lower than the small cap companies. When we are valuing a small company, we need to factor in size premium which compensates the investor for investing in small cap companies. Generally, there are no standards available in the market for the size premium. Considering the facts of the current case we have considered certain size premium for MSPL.

- Company Specific Risk Premium

Company Specific Risk Premium (CSRP) is the risk unique to the company. Hence to compensate the investor for this aspect, we have considered certain premium towards CSRP.

- Cost of Equity (Ke)

Summarizing the above aspects, Cost of Equity has been considered as 19.20%.

| Calculation of Cost of Equity (Ke) As at 30 Nov 2020 | |
|--|---------------|
| Rf | 5.91% |
| Beta | 1.15 |
| Rm | 13.12% |
| Equity Risk Premium (Rm-Rf) | 8.28% |
| Size Premium | 2.00% |
| Company Specific Risk Premium | 3.00% |
| Rounding off | |
| Ke | 19.20% |

- Terminal Value

The terminal value of an ongoing business could best be determined as present value of estimated future free cash flows in order to obviate the need to forecast the Company's cash flows in detail for an indefinite period. On this basis, the calculation of the terminal value may be made by capitalizing the free cash flows of the terminal year (with appropriate adjustments for debt) with the Cost of Equity, adjusted for the future expected growth ("g"). We have considered growth rate of 5%.



- Valuation

Considering the above calculation aspects, the Equity Value of MSPL as per Discounted Free Cash Flow Method comes to INR 1071.60 Cr.

- Under Income Approach, valuation has been arrived at on the basis of weighted average of valuation as per following two methods with equal weight to each method:

- Price Earning Capitalization Method (PECV)
- Discounted Cash Flow Method (DCF)

- The value of Non-operating Investments and Cash & Cash Equivalents as on 30.11.2020 (based on latest available provisional numbers with us) is added to weighted average equity value as arrived above.

- After adding the above, weighted average equity value under Income Approach comes to INR 1,219.77 Crores. Weighted average value per equity share comes to INR 13,282/-.

- As stated above, valuation of MSPL has been arrived at on the basis of weighted average of valuation as per following two approaches as under:

- Cost Approach with Book Value Method having higher weightage
- Income Approach as arrived above

- Based on above calculation, Per Share weighted average equity value of MSPL under two approaches comes to INR 9,474/-.

- Further, with a conservative approach of considering the probability of contingent liabilities materializing in future, we have deducted provision equivalent to 25% of contingent liability as per audited balance sheet of Financial Year 2019-20 from the weighted average equity value per share as arrived above.

- As MSPL is an unlisted company, further discount on account of lack of marketability and liquidity has to be provided. Effect of lack of marketability or illiquidity on value can be determined using three different approaches. The first is to value an asset or business as if it were a liquid investment, and then to apply an illiquidity discount to that value. The second is to adjust the discount rate used in a discounted cash flow valuation for the illiquidity of the asset; more illiquid assets will have higher discount rates. The third is through relative valuation, by valuing an asset based on how assets of similar liquidity have been priced in transactions. In present valuation exercise, we have considered the first approach. Certain recent studies have found discounts around 25-30%.

MSPL is an unlisted company and therefore considering the lack of marketability and liquidity of its shares as well as current scenario of uncertainty arose due to widespread implications pursuant to Covid pandemic, we have considered a discount of 30% towards the factor of lack of marketability and liquidity.

- Accordingly, equity value of MSPL works out to be INR 6,602/- per equity share.



2) Darshak Finstock Private Limited

- DFPL is an investment company holding various financial assets. Hence in our opinion Net Asset Value with market/fair value as basis under cost Approach is the best method to value equity shares of DFPL.
- To arrive at the fair value per equity share of DFPL,
 - First, all the assets and liabilities have been considered at book value as on valuation date.
 - Further those assets for which market value is considerably different than the book value, difference has been added to the book value of net assets (assets less liabilities) to arrive at the fair value.
 - Such fair value of net assets is then divided by number of outstanding equity shares as on valuation date to arrive at the fair value per equity share.
 - Following are the assets of DFPL which are considered at its market value:
 - Investment in Unquoted Equity Shares of Madhu Silica Private Limited.
 - Fair value per share of MSPL as arrived above has been considered for valuing the investment of DFPL into equity shares of MSPL.
 - Investment in Unquoted Equity Shares of Aquagel Chemicals (Bhavnagar) Private Limited (herein after referred to as 'ACBPL'):
 - Currently, there are no business activities in ACBPL and while preparing financial of the company management has not made an assumption of going concern. Hence, in our opinion, valuation based on market/realizable value of assets is ideal when the purpose is to liquidate the business/asset. It is also ideal for those assets which are held in nature of investments and/or those assets which are surplus/non-operational.
 - To arrive at the fair value per equity share of ACBPL:
 - First, all the assets and liabilities have been considered at book value as on valuation date. Further, those assets for which market value is considerably different than the book value, difference has been added to the book value of net assets (assets less liabilities) to arrive at the fair value.
 - ACBPL owns some land which has been reflected in the books of accounts at prevailing rates as per government records for stamp duty purpose (popularly known as Jantry Rates/Circle Rates). In absence of report on market value of such land, we have considered the said land at Jantry Value for the purpose of present valuation.



- Such fair value of net assets is then divided by number of outstanding equity shares as on valuation date to arrive at the fair value per equity share.
- Accordingly, value of equity shares of ACBPL comes to INR 65.53 per share.
- Investment in Unquoted Non-Cumulative Redeemable Preference Shares of Aquagel Chemicals (Bhavnagar) Private Limited (herein after referred to as 'ACBPL').
 - Present value of cash flows has been considered to value the preference shares. No dividend has been paid on these preference shares from the date of issue till date. Further company has discontinued its operations. In light of this fact, it has been assumed that there would not be dividend payment in future as well. Further, Vide NCLT order dated 08.08.2017, company reduced face value of preference shares from INR 100.00 per share to INR 20.00 per share by paying INR 80.00 per share back to shareholders.
 - Management of ACBPL has conveyed to us that Preference Shares is estimated to be redeemed by end of FY 2021-22. Company has sufficient investment for meeting redemption requirements.
 - Discount factor for Preference shares of ACBPL has been considered at 11.91%.
 - Accordingly, Value of preference share of ACBPL comes to INR 15.97 per share.
- Considering Net-worth as per balance sheet as on 30.11.2020 and adding difference on account of market value & book value of mutual funds as on that date, fair value & book value of unquoted investments in equity shares of MSPL and ACBPL and preference shares of ACBPL, equity value of DFPL works out to be INR 34.25 Crores and per equity share value of INR 17,124/-.

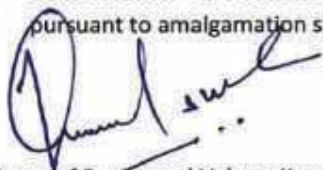


(IX) Conclusion:

- It would be in the light of the aforesaid, and after taking into consideration the principles of valuation as propounded by various authorities, that one would have to consider the Equity Valuation of Entities.
- In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality and integrity of the Management, present and prospective competition, yield on comparable securities and market sentiment etc. which are not evident from the face of the Balance Sheets but will strongly influence the worth of a business.
- On a consideration of all the above factors and issues, in our opinion, the proposed Exchange Ratio is as under:

| Sr No | Name of company | Fair Value per Equity Share | Proposed Exchange Ratio |
|-------|---|-----------------------------|--|
| 1 | Madhu Silica Private Limited (MSPL) | INR 6,602/- | Being Amalgamated Company - Not Applicable. |
| 2 | Darshak Finstock Private Limited (DFPL) | INR 17,124/- | 259 fully paid equity shares of MSPL with face value of Rs. 100.00 each to be issued at par against 100 equity shares of DFPL with face value of Rs.100.00 each. |

- Considering the above facts and issues, in our opinion proposed exchange ratio as mentioned above is fair and reasonable.
- Consideration for fractional entitlement if any arising on issue of equity / preference shares pursuant to amalgamation shall be according to the amalgamation scheme of the company.


 Name of Registered Valuer: Krunal Manojbhai Sheth
 IBBI Reg No: IBBI/RV/06/2019/11598
 ICAI Membership No. 127504
 UDIN: 21127504AAAAAB8474
 Place: Ahmedabad
 Date: 22nd January, 2021



Annexure 1 - Valuation Summary of MSPL

| Valuation Method | Valuation | Weight | INR Cr |
|---|-----------|--------|----------------------------|
| | | | Weighted Average Valuation |
| Valuation as per Income Approach | | | |
| PECV | 493.78 | 1 | 493.78 |
| DCF Method | 1,071.60 | 1 | 1,071.60 |
| Weighted Average Equity Value as per Income Approach before Adj of Non-Operating Assets | | 2 | 782.69 |
| Add: Value of Cash & Cash Equivalents | | | 437.08 |
| Equity Value as per Income Approach | | | 1,219.77 |
| No of Equity Shares outstanding | | | 918,344 |
| Value per share as per Income approach | | | 13,282 |
| Value per share as per income approach | 13,282 | 1 | 13,282 |
| Value per share as per book value method | 7,570 | 2 | 15,140 |
| Weighted Average Value as per Income approach & book value | | 3 | 9,474 |
| Less: Provision for Contingent Liabilities | | 25.00% | (29) |
| Discount on Lack of Marketability & Liquidity | | 30.00% | (2,842) |
| Value per Equity Share (INR) | | | 6,602 |



Annexure 2 – Valuation Summary of DFPL

| Particular | INR Cr |
|--|----------------------------|
| | Amount As at 30.11.2020 |
| Equity Share Capital | 0.20 |
| Reserves | 8.85 |
| Net-worth | 9.05 |
| Add: Change in Value of Investments | 25.20 |
| Revised Net-worth | 34.25 |
| Number of Equity Shares | 0.00 |
| Fair Value per Equity Share (INR) | 17,124 |

| Summary of Change in Value of Investments | Amount |
|---|---------------|
| Mutual Fund Investments | |
| Market Value | 4.08 |
| Less: Book Value | 4.00 |
| Change in Value of Mutual Fund Investments | 0.08 |
| Investment in Equity Shares of MSPL | |
| Market Value | 29.74 |
| Less: Book Value | 4.79 |
| Change in Value of MSPL Equity Inv | 24.95 |
| Investment in Equity Shares of ACBPL | |
| Market Value | 0.03 |
| Less: Book Value | 0.05 |
| Change in Value of ACBPL Equity Inv | (0.02) |
| Investment in Preference Shares of ACBPL | |
| Market Value | 0.28 |
| Less: Book Value | 0.10 |
| Change in Value of ACBPL Pref Share Inv | 0.18 |
| Total | 25.20 |



Scope Limitation

- Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.
- Our report is meant for the purpose mentioned above and exclusively for the use of the companies and for submission to any regulatory / statutory authority as may be required under any law. Our report should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
- We are independent of the client/company and have no current or expected interest in the Company or its assets except as mentioned above. The fee paid for our services in no way influenced the results of our analysis.
- While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client.
- In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. This report is issued on the understanding that companies have drawn our attention to all the matters relevant for the purpose of proposed amalgamation as on date of this report which would have an impact on our valuation. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.
- The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.
- We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- The report assumes that the companies comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. However, changes to the same in the future could impact the Companies and the industry they operate in, which may impact our valuation.
- Unless specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us. Further, we have also not carried out any physical verification of the assets and liabilities. Details about market value of the assets wherever required, have been furnished to us by Companies. We have not undertaken any verification/assessment of such values.
- The valuation report is tempered by the exercise of judicious discretion by the RV and judgment taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.
- I am fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the



Annexure 3 – Valuation Summary of ACBPL

Valuation of Equity Shares

| Particular | INR Cr |
|--|----------------------------|
| | Amount As at 30.11.2020 |
| Equity Share Capital | 2.00 |
| Reserves | (0.77) |
| Net-worth | 1.23 |
| Add: Change in Value of Investments | 0.08 |
| Add: Change in Value of Land | - |
| Revised Net-worth | 1.31 |
| Number of Equity Shares | 0.02 |
| Fair Value per Equity Share (INR) | 65.53 |

| Summary of Change in Value of Investments | | Amount |
|---|------|-------------|
| Mutual Fund Investments | | |
| Market Value | 5.56 | 4.56 |
| Less: Book Value | | 4.48 |
| Change in Value of Mutual Fund Investments | | 0.08 |
| Land | | |
| Jantry Value of Land | 0.23 | 0.23 |
| Less: Book Value | | 0.23 |
| Change in Value of Land | | - |

Valuation of Preference Shares issued by ACBPL

| Particular | INR | | |
|--|---------------|-------|-------|
| | 19-20 | 20-21 | 21-22 |
| Principal Repayment on Redemption | | - | 20.00 |
| Present Value of Principal Amount | 15.97 | | |
| Dividend | - | - | - |
| Present Value of Future Dividends | | | |
| Probability of Dividend Payment | 0.00% | | |
| PV of Future Probable Dividends | - | | |
| Present Value Per Preference Share as on 01.12.2020 | 15.97 | | |
| Discount Rate | 11.91% | | |



party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.

- We do not provide assurance on the achievability of the results forecast by the management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.
- The actual fair value achieved may be higher or lower than our estimate of value depending upon the circumstances of the proposed transaction, the nature of the business. The knowledge, negotiating ability and motivation of the parties to the proposed transaction and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.
- An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.
- The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.
- Our report is not, nor should it be construed as our Opinion or Certifying the compliance with the proposed amalgamation with the provisions of the law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed amalgamation.



Disclaimer

This report has been prepared by "Krunal Manojbhai Sheth, IBBI Registered Valuer for Securities or Financial Assets (hereinafter referred to as Registered Valuer" on working out and/or certifying the fairness of exchange ratio with regard to issue of shares on account of amalgamation of DARSHAK FINSTOCK PRIVATE LIMITED (hereinafter referred to as 'DFPL') with and into MADHU SILICA PRIVATE LIMITED (herein after referred to as MSPL).

The sole purpose of this report is to provide Board of Directors of both the companies with independent assessment of the fairness of proposed Exchange Ratio in relation to the proposed Amalgamation scheme. We have prepared this report, on the basis of information provided to us by the Board of Directors/Management of MSPL/DFPL as well as from some other sources identified herein. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use and the Regulations. I do not take any responsibility for the unauthorized use of this report. All the provisions hitherto laid down are equally applicable to all those third parties to whom this document is circulated with or without the permission of Board of Directors of MSPL/DFPL.

The information contained in this Report has been structured to assist the Board in making their own evaluation of the valuation of MSPL and DFPL to arrive at the exchange ratio pursuant to the proposed Amalgamation of DFPL with and into MSPL. It does not purport to be all-inclusive or to contain all the information that may be material to the decision of the Board of MSPL and/or DFPL or of any prospective recipient for entering into a transaction involving MSPL and/or DFPL. The interested parties should conduct their own due diligence, examination, investigation and analysis of the business and operations of MSPL and/or DFPL. The information and data contained herein are not substitutes for any interested parties' independent evaluation and analysis. Registered Valuer has no obligation whatsoever, to provide the interested parties with access to any additional information or correct any inaccuracies herein that may become apparent. This Report may include certain statements on estimates/projections by Registered Valuer with respect to the past and the anticipated future performance. Such statements, estimates and projections reflect various types of assumptions concerning the anticipated results and have been prepared by management of the company. No representations are made as to the total or partial accuracy of such estimates, statements and projections or with respect to any other material statements herein. Actual results may vary materially from the projected results contained herein.

Limitation of Liability

I owe responsibility to only to the client that has appointed me under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

By accepting this Report, each recipient agrees that Registered Valuer shall not have any liability for any representation (express or implied) contained in it. Registered Valuer shall not have any liability for any omission in the Report or any written or oral communications transmitted to the recipient by or on behalf of the Registered Valuer, in the course of the recipient's evaluation of any transaction involving MSPL and/or DFPL. The information and data provided by MSPL and/or DFPL have not been independently verified by Registered Valuer, whilst all reasonable care has been taken to ensure that the facts stated in the document are accurate and the opinions given are fair and reasonable. Neither Registered Valuer, nor the officers /employees of Registered Valuer, shall in any way be responsible for the opinions stated herein.

Confidentiality

This Report is provided upon the express understanding that the information contained herein, or made available in connection with the proposed arrangement, is strictly confidential and is only intended for the exclusive use of the Board of Directors of MSPL and/or DFPL and/or such other recipient/s authorized by them. This Report shall not be photocopied, reproduced or distributed to others at any time without the prior written consent of Registered Valuer, or MSPL and/or DFPL. This Report shall remain at all times the property of Registered Valuer, MSPL and/or DFPL. It must be returned immediately along with any other informative material received in this connection, without retaining any copies thereof upon request or forthwith, for any reason whatsoever.



Annexure III**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MADHU SILICA PRIVATE LIMITED EXPLAINING EFFECT OF THE SCHEME ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS.****1. Background**

- 1.1. The Board of Directors ('Board') of Madhu Silica Private Limited ('Transferee Company') at its meeting held on 1st February, 2021 had approved the Scheme of Amalgamation of Darshak Finstock Private Limited ('Transferor Company') with Madhu Silica Private Limited ('Transferee Company') under section 230-232 of the Companies Act, 2013 ('the Act').
- 1.2. The Board was informed that the Company has filed the application with National Company Law Tribunal ('NCLT'), Ahmedabad for approval of the Scheme. In the application filed before the NCLT, the Company has requested NCLT shall order meeting of the Equity shareholders and Unsecured creditors of the Transferee Company, and the Transferee Company will, as part of the notice and explanatory statement for the said meetings be required to circulate a report adopted by the Board of the Company as prescribed under section 232(2)(c) of the Act explaining effect of Scheme on each class of shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any valuation difficulties. Further, the Company has also requested NCLT to allow it not to hold meeting of Secured creditors as there are no secured creditors in the Company.
- 1.3. Having regard to the applicability of the aforesaid provision, the following documents were placed before the Board:
 - 1.3.1 Scheme as approved by the Board vide resolution dated 1st February, 2021
 - 1.3.2 Valuation Report dated 22nd January, 2021 prepared and issued by Mr. Krupal Sheth, a Registered Valuer.

2. Effect of the Scheme of Amalgamation on Shareholders (promoter shareholders and non-promoter shareholders) of Madhu Silica Private Limited:

- 2.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the entire business of the Transferor Company shall be transferred to the Transferee Company.
- 2.2. As far as the Promoter and Non Promoter shareholders are concerned, there will be no dilution of their shareholding in the Company.

3. Effect of the Scheme of Amalgamation on Directors and KMPs of Madhu Silica Private Limited:

- 3.1 The Scheme is not expected to have any effect on the Directors of the Company. Further, no change in the Board of the Company is envisaged on account of the Scheme.
- 3.2 None of the directors, KMPs and their respective relatives have any interest in the Scheme except to the extent of the said director(s) are common director(s) of the Transferee Company and Transferor Company. Save as aforesaid, none of the directors or the KMP have material interest in the Scheme.

4. Valuation:

Mr. Krupal Sheth, a Registered Valuer have undertaken the valuation for the scheme and have recommended the fair value vide their Valuation Report dated 22nd January, 2021.

5. Share Exchange Ratio:

Upon the effectiveness of the Scheme, Transferee Company shall allot equity share based on the Share Exchange Ratio, as under and more particularly in the manner stipulated in Clause 8 of the Scheme, to the shareholders of the Transferor Company:

- a) "259 (Two Hundred Fifty Nine) fully paid up Equity shares of Rs.100/- (Rupees One Hundred only) each of MSPL, the Transferee Company for every 100 (One Hundred) fully paid Equity shares of Rs.100/- (Rupees One Hundred only) each held by such shareholder in DFPL, the Transferor Company."

Based on the above, in the opinion of the Board, Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable

For, Madhu Silica Private Limited

Sd/-

Rameshchandra Shah

DIN: 0006298

Director

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF DARSHAK FINSTOCK PRIVATE LIMITED EXPLAINING EFFECT OF THE SCHEME ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS.**1. Background**

- 1.1. The Board of Directors ('Board') of Darshak Finstock Private Limited ('Transferor Company') at its meeting held on 1st February, 2021 had approved the Scheme of Amalgamation of Darshak Finstock Private Limited ('Transferor Company') with Madhu Silica Private Limited ('Transferee Company') under section 230-232 of the Companies Act, 2013 ('the Act').
- 1.2. The Board was informed that the Company has filed the application with National Company Law Tribunal ('NCLT'), Ahmedabad for approval of the Scheme. In the application filed before the NCLT, the Company has requested NCLT to dispense with the requirement of the meeting of its Equity shareholders, as the Equity shareholders of the Company have approved the proposed Scheme of Amalgamation in form of the written affidavit consent letters. Further, the Company has also requested NCLT to allow it not to hold meeting of Unsecured and Secured creditors as there are no Unsecured and secured creditors in the Company. In the application filed before the NCLT, the Transferee Company has requested NCLT shall order meeting of the Equity shareholders and Unsecured creditors of the Transferee Company, and the Transferee Company will, as part of the notice and explanatory statement for the said meetings be required to circulate a report adopted by the Board of the Company as prescribed under section 232(2)(c) of the Act explaining effect of Scheme on each class of shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any valuation difficulties.
- 1.3. Having regard to the applicability of the aforesaid provision, the following documents were placed before the Board:
 - 1.3.1 Scheme as approved by the Board vide resolution dated 1st February, 2021
 - 1.3.2 Valuation Report dated 22nd January, 2021 prepared and issued by Mr. Krunal Sheth, a Registered Valuer.

2. Effect of the Scheme of Amalgamation on Shareholders (promoter shareholders and non-promoter shareholders) of Darshak Finstock Private Limited:

- 2.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the entire business of the Transferor Company shall be transferred to the Transferee Company.
- 2.2. As far as the Promoter and Non Promoter shareholders are concerned, there will be no dilution of their shareholding in the Company.

3. Effect of the Scheme of Amalgamation on Directors and KMPs of Darshak Finstock Private Limited:

- 3.1 The Scheme is not expected to have any effect on the Directors of the Company. Further, no change in the Board of the Company is envisaged on account of the Scheme.
- 3.2 None of the directors, KMPs and their respective relatives have any interest in the Scheme except to the extent of the said director(s) are common director(s) of the Transferee Company and Transferor Company. Save as aforesaid, none of the directors or the KMP have material interest in the Scheme.

4. Valuation:

Mr. Krunal Sheth, a Registered Valuer have undertaken the valuation for the scheme and have recommended the fair value vide their Valuation Report dated 22nd January, 2021.

5. Share Exchange Ratio:

Upon the effectiveness of the Scheme, Transferee Company shall allot equity share based on the Share Exchange Ratio, as under and more particularly in the manner stipulated in Clause 8 of the Scheme, to the shareholders of the Transferor Company:

- a) "259 (Two Hundred Fifty Nine) fully paid up Equity shares of Rs.100/- (Rupees One Hundred only) each of MSPL, the Transferee Company for every 100 (One Hundred) fully paid Equity shares of Rs.100/- (Rupees One Hundred only) each held by such shareholder in DFPL, the Transferor Company."

Based on the above, in the opinion of the Board, Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable

For, Darshak Finstock Private Limited

Sd/-

Rameshchandra Shah

DIN: 00062983

Director

DARSHAK FINSTOCK PVT LTD**BALANCE SHEET AS AT 31ST MARCH, 2021**

| Particulars | Notes # | AS AT 31.03.2021 Amount ₹ | AS AT 31.03.2020 Amount ₹ |
|--|---------|---------------------------|---------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 2 | 20,00,000 | 20,00,000 |
| (b) Reserves and surplus | 3 | 8,84,85,694 | 8,65,16,722 |
| (c) Money received against share warrants | | 0 | 0 |
| Sub-total (1) | | 9,04,85,694 | 8,85,16,722 |
| 2 Share application money pending allotment | | | |
| 3 Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | 0 | 0 |
| (b) Deferred tax liabilities (Net) | | 0 | 0 |
| (c) Other Long term liabilities | | 0 | 0 |
| (d) Long-term provisions | | 0 | 0 |
| Sub-total (3) | | 0 | 0 |
| 4 Current liabilities | | | |
| (a) Short-term borrowings | | 0 | 0 |
| (b) Trade payables | 5 | 15,000 | 32,700 |
| (c) Other current liabilities | | 0 | 0 |
| (d) Short-term provisions | 6 | 7,50,000 | 52,000 |
| Sub-total (4) | | 7,65,000 | 84,700 |
| TOTAL | | 9,12,50,694 | 8,86,01,422 |
| II. ASSETS | | | |
| Non-current assets | | | |
| 1 (a) Fixed assets | | | |
| (i) Tangible assets | | 0 | 0 |
| (ii) Intangible assets | | 0 | 0 |
| (ii) Capital work-in-progress | | 0 | 0 |
| (iv) Intangible assets under development | | 0 | 0 |
| (b) Non-current investments | 7 | 8,94,04,504 | 8,74,93,551 |
| (c) Deferred tax assets (net) | | 0 | 0 |
| (d) Long-term loans and advances | | 0 | 0 |
| (e) Other non-current assets | | 0 | 0 |
| Sub-total (1) | | 8,94,04,504 | 8,74,93,551 |
| 2 Current assets | | | |
| (a) Current investments | | 0 | 0 |
| (b) Inventories | | 0 | 0 |
| (c) Trade receivables | | 0 | 0 |
| (a) Cash and cash equivalents | 8 | 7,80,801 | 5,38,466 |
| (b) Short-term loans and advances | 9 | 5,65,389 | 5,69,405 |
| (c) Other current assets | 10 | 5,00,000 | 0 |
| Sub-total (2) | | 18,46,190 | 11,07,871 |
| TOTAL | | 9,12,50,694 | 8,86,01,422 |
| Significant Accounting Policies | 1 | 0 | 0 |
| Notes forming part of the financial statements | 2-15 | | |

As per our report of even dated.

For V. M. SHAH & CO.
Firm Regd. No.109826W
Chartered Accountants

(Vikas. M. Shah)
Partner.

M.No.031495.

UDIN : 21031495AAAAAB7645

Dated : 25/08/2021

Place : Bhavnagar.



For and on behalf of Board of Directors

Director.

Director.

DARSHAK FINSTOCK PVT LTD**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED
31ST MARCH, 2021**

| Particulars | Notes # | 2020-2021 Amount ₹ | 2019-2020 Amount ₹ |
|--|---------|-----------------------|-----------------------|
| I. Revenue from operations | | 0 | 0 |
| II. Other income | 11 | 27,56,462 | 2,15,693 |
| III. Total Revenue (I + II) | | 27,56,462 | 2,15,693 |
| IV. Expenses: | | | |
| Cost of materials consumed | | 0 | 0 |
| Purchases of Stock-in-Trade | | 0 | 0 |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | | 0 | 0 |
| Employee benefits expense | | 0 | 0 |
| Finance costs | 12 | 649 | 649 |
| Depreciation and amortization expense | | 0 | 0 |
| Other expenses | 13 | 36,841 | 35,100 |
| Total expenses (IV) | | 37,490 | 35,749 |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | | 27,18,972 | 1,79,944 |
| VI. Exceptional items | | 0 | 0 |
| VII. Profit before extraordinary items and tax (V - VI) | | 27,18,972 | 1,79,944 |
| VIII. Extraordinary items | | 0 | 0 |
| IX. Profit before tax (VII- VIII) | | 27,18,972 | 1,79,944 |
| X. Tax expense: | | | |
| (1) Current tax | | 7,50,000 | 52,000 |
| (2) Deferred tax | | 0 | 0 |
| (3) Income Tax Prior Year | | 0 | 5,000 |
| XI. Profit (Loss) for the period from continuing operations (VII-VIII) | | 19,68,972 | 1,22,944 |
| XII. Profit/(loss) from discontinuing operations | | 0 | 0 |
| XIII. Tax expense of discontinuing operations | | 0 | 0 |
| XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | | 0 | 0 |
| XV. Profit (Loss) for the period (XI + XIV) | | 19,68,972 | 1,22,944 |
| XVI. Earnings per equity share: | 14 | | |
| (1) Basic & Dilluted. | | 98 | 6 |
| | | 98 | 6 |
| Significant Accounting Policies | 1 | | |
| Notes forming part of the financial statements | 2-15 | | |

As per our report of even dated.

For V. M. SHAH & CO.
Firm Regd. No.109826W
Chartered Accountants

(Vikas. M. Shah)
Partner.

M.No.031495.

UDIN : 21031495AAAAAB87645

Dated : 25/08/2021

Place : Bhavnagar.



For and on behalf of Board of Directors

Director.

Director.

DARSHAK FINSTOCK PVT LTD

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

NOTES No.2. SHARE CAPITAL :

| | AS AT 31.03.2021 Amount ₹ | AS AT 31.03.2020 Amount ₹ |
|--|------------------------------|------------------------------|
| 1 Authorised Shares:authorized; | | |
| 20,000 (Prev.Yr.20,000) Equity Shares of Rs.100/- each. | 20,00,000 | 20,00,000 |
| | <u>20,00,000</u> | <u>20,00,000</u> |
| 2 Issued, subscribed and fully paid Shares | | |
| 20,000 (Prev.Yr.20,000) Equity Shares of Rs.100/- each. | 20,00,000 | 20,00,000 |
| | <u>20,00,000</u> | <u>20,00,000</u> |
| 3 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period; | | |
| Equity Shares | Amount ₹ | Amount ₹ |
| At the beginning of the period | 20,000 | 20,000 |
| Issued during the period | 0 | 0 |
| Outstanding at the end of the period | <u>20,000</u> | <u>20,000</u> |

4 Terms & Right attached to Equity Shares:

Equity Shares: The company has one class of equity shares having a par value of Rs.100/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Director is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportionate to their shareholding.

5 Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

| | AS AT 31.03.2021 No. of Shares | AS AT 31.03.2020 No. of Shares |
|--------------------------------------|-----------------------------------|-----------------------------------|
| a) Equity Shares, fully paid up: | | |
| Ramesh V. Shah (Share held @ 51.88%) | 10,375 | 10,375 |
| Kalpna R. Shah (Share held @ 26.88%) | 5,375 | 5,375 |
| Darshak R. Shah (Share held @ 15%) | 3,000 | 3,000 |
| Reena D. Shah (Share held @ 6.25%) | 1,250 | 1,250 |

NOTES No.3. RESERVES AND SURPLUS :


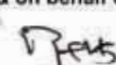



| | AS AT 31.03.2021 Amount ₹ | AS AT 31.03.2020 Amount ₹ |
|---|------------------------------|------------------------------|
| a) Reserves and Surplus: | | |
| General Reserve | | |
| Opening Balance as per last financial statement | 1,00,000 | 1,00,000 |
| Add During the year | 0 | 0 |
| Closing Balance | <u>1,00,000</u> | <u>1,00,000</u> |
| b) Surplus/(Deficit) in the statement of Profit & Loss | | |
| Opening Balance as per last financial statement | 8,64,16,722 | 8,62,93,778 |
| Add: Profit/(Loss) for the year | 19,68,972 | 1,22,944 |
| LESS: | | |
| Income Tax Adjustment of Earlier Year. | 0 | 0 |
| Closing Balance | <u>8,83,85,694</u> | <u>8,64,16,722</u> |
| TOTAL: RESERVES AND SURPLUS | <u>8,84,85,694</u> | <u>8,65,16,722</u> |



MADHU SILICA PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2021.



| Particulars | Notes # | AS AT 31.03.2021 ₹ in Lakhs | AS AT 31.03.2020 ₹ in Lakhs |
|--|------------|--|--------------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 2 | 23,631.41 | 28,249.27 |
| Capital work-in-progress | 2 | 2,366.99 | 209.51 |
| Financial assets | | | |
| Investments | 3 | 39,937.78 | 25,056.71 |
| Other Financial Assets | 6 | 494.50 | 558.93 |
| Deferred tax Assets | 7 | 0.00 | 490.95 |
| Other assets | 8 | 7.05 | 7.81 |
| Total - Non Current Assets | | 66,437.73 | 54,573.19 |
| Current Assets | | | |
| Inventories | 9 | 3,442.06 | 3,538.53 |
| Financial assets | | | |
| Trade Receivables | 4 | 24,911.23 | 19,063.73 |
| Cash and Cash Equivalents | 10 | 4,902.85 | 1,768.14 |
| Loans | 5 | 9.41 | 59.23 |
| Other Financial Assets | 6 | 178.05 | 1.06 |
| Other Assets | 8 | 920.43 | 830.34 |
| Total - Current Assets | | 34,364.02 | 25,261.04 |
| TOTAL - ASSETS | | 1,00,801.75 | 79,834.23 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share capital | 11 | 918.34 | 918.34 |
| Other Equity | 12 | 84,186.83 | 68,598.05 |
| Total - Equity | | 85,105.17 | 69,516.39 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Deferred Tax Liabilities | 14 | 2,714.89 | 0.00 |
| Total - Non Current Liabilities | | 2,714.89 | 0.00 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Trade payables | 16 | | |
| a) Total Outstanding Dues Of Micro and Small Enterprises | 16 | 665.25 | 412.32 |
| b) Total Outstanding Dues Of Creditors Other Than Micro and | 16 | 10,620.45 | 8,639.05 |
| Provisions | 13 | 979.12 | 285.32 |
| Other Liabilities | 15 | 716.86 | 981.14 |
| Total - Current Liabilities | | 12,981.69 | 10,317.83 |
| TOTAL - EQUITY AND LIABILITIES | | 1,00,801.75 | 79,834.23 |
| Significant Accounting Policies | | | |
| Notes forming part of the financial statements | 1-28 | | |
| As per our report of even dated. | | | |
| For P. G. Hemani & Co Firm Regd. No.103628W Chartered Accountants | | For & on behalf of Board of Directors | |
|  (Nihar D. Vora) Partner. M.No.151457 UDIN: 21151457AAAABM2060 Date : 02/09/2021 : Place : Bhavnagar | |  Chairman Ramesh Shah DIN:00062983 | |
|  | |  Managing Director Darshak Shah DIN:00063063 | |
| | |  Gompany Secretary Aliasger Mandorwala Membership No.ACS-52449 | |

MADHU SILICA PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021.



| Particulars | Notes # | 2020-2021 ₹ in Lakhs | 2019-2020 ₹ in Lakhs |
|---|---------|---|-------------------------|
| INCOME: | | | |
| Revenue from operations | 17 | 1,11,774.25 | 1,01,281.92 |
| Other income | 18 | 1,104.31 | 1,429.83 |
| TOTAL REVENUE (I + II) | | 1,12,878.56 | 1,02,711.74 |
| EXPENSES: | | | |
| Cost of Raw Materials consumed | 19 | 45,308.18 | 43,660.32 |
| Purchases of Stock-in-Trade | | 0.00 | 0.00 |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 20 | -14.34 | -303.85 |
| Employee benefits expense | 21 | 9,497.36 | 7,840.21 |
| Finance costs | 22 | 82.88 | 34.15 |
| Depreciation and amortization expense | 23 | 6,117.12 | 7,347.34 |
| Other expenses | 24 | 32,120.65 | 30,142.16 |
| TOTAL EXPENSES | | 93,111.85 | 88,720.32 |
| PROFIT BEFORE TAX | | 19,766.70 | 13,991.43 |
| Tax expense: | | | |
| Current tax | 25 | 5,350.00 | 3,925.00 |
| Deferred tax | 25 | 3,205.84 | -1,064.81 |
| Income Tax Prior Year | 25 | -50.70 | 16.21 |
| TOTAL TAX EXPENSES | | 8,505.15 | 2,876.40 |
| PROFIT FOR THE YEAR | | 11,261.56 | 11,115.03 |
| OTHER COMPREHENSIVE INCOME/(LOSSES) | | | |
| A I Items that will be reclassified Subsequently to the Profit or Loss | | | |
| (a) Net Change in Fair Value of Investment other than Equity Shares carried at Fair Value through OCI | 26 | 4,361.83 | -1,600.66 |
| (b) Net Change in Intrinsic Value of Derivatives designated as Cash Flow Hedges | | 0.00 | 0.00 |
| (c) Net Change in Time Value of Derivatives designated as Cash Flow Hedges | | 0.00 | 0.00 |
| II Income Tax on Items That Will be Reclassified Subsequently to Profit or Loss Account | | 0.00 | 0.00 |
| B I Items that will be not be Reclassified Subsequently to Profit or Loss | | | |
| (a) Remeasurement of Denied Employee Benefit Plans | | 0.00 | 0.00 |
| (b) Net Changes in Fair Values of Investments in Equity Shares Carried at Fair Value Through OCI | 26 | -34.61 | -45.50 |
| II Income Tax on Items That Will Not be Reclassified Subsequently to Profit or Loss Account | | 0.00 | 0.00 |
| TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) | | 4,327.22 | -1,646.16 |
| IX. TOTAL COMPREHENSIVE INCOME | | 15,588.77 | 9,468.87 |
| X. Earnings per equity share : | | | |
| Basic and diluted (₹) | 27 | 1,697.49 | 1,031.08 |
| Weighted average number of equity shares | | 9.18 | 9.18 |
| Significant Accounting Policies | | | |
| Notes forming part of the financial statements | 1-28 | | |
| As per our report of even dated. | | | |
| For P. G. Hemani & Co Firm Regd. No.103628W Chartered Accountants  (Nihar D. Vora) Partner. M.No.151457 UDIN: 21151457AAAA8M2060 Date : 02/09/2021 : Place : Bhavnagar | | For & on behalf of Board of Directors  Chairman Ramesh Shah DIN:00062983  Managing Director Darshak Shah DIN:00063063  Company Secretary Aliasger Mandorwala Membership No.ACS-52449 | |
|  | | | |

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MADHU SILICA PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021.

NOTES No.11. EQUITY SHARE CAPITAL :

| | AS AT 31.03.2021 | | AS AT 31.03.2020 | |
|---|------------------|---------------|------------------|---------------|
| | No. | ₹ in Lakhs | No. | ₹ in Lakhs |
| 1 Authorised Shares:authorized; | | | | |
| Equity Shares of Rs.100/- each | 10.00 | 1,000.00 | 10.00 | 1,000.00 |
| | 10.00 | 1,000.00 | 10.00 | 1,000.00 |
| 2 Issued, subscribed and fully paid Shares | | | | |
| Equity Shares of Rs.100/- each | 9.18 | 918.34 | 9.18 | 918.34 |
| | 9.18 | 918.34 | 9.18 | 918.34 |
| 3 Subscribed but not fully paid Shares | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL: EQUITY SHARE CAPITAL | 9.18 | 918.34 | 9.18 | 918.34 |

4 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

| | AS AT 31.03.2021 | | AS AT 31.03.2020 | |
|--------------------------------------|------------------|---------------|------------------|---------------|
| | No. | ₹ in Lakhs | No. | ₹ in Lakhs |
| At the beginning of the period | 9.18 | 918.34 | 9.18 | 918.34 |
| Buyback during the period | 0.00 | 0.00 | 0.00 | 0.00 |
| Issued during the period | 0.00 | 0.00 | 0.00 | 0.00 |
| Outstanding at the end of the period | 9.18 | 918.34 | 9.18 | 918.34 |

5 Terms & Right attached to Equity Shares

Equity Shares: The company has one class of equity shares having a par value of Rs.100/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Director is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportionate to their shareholding.

6 Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

| | AS AT 31.03.2021 | | AS AT 31.03.2020 | |
|----------------------------------|-------------------|-----------------|-------------------|-----------------|
| | No. of Share Held | % of Share Held | No. of Share Held | % of Share Held |
| a) Equity Shares, fully paid up: | | | | |
| Ramesh V. Shah | 2.60 | 28.31% | 2.60 | 28.31% |
| Ramesh Shah-HUF | 1.33 | 14.49% | 1.33 | 14.49% |
| Kalpna R. Shah | 1.07 | 11.62% | 1.07 | 11.62% |
| Darshak R Shah | 2.91 | 31.66% | 2.91 | 31.66% |

7 Disclosure for Shares Issued Other Than By Way of Cash and Buy Back of Shares

| | Shares Alloted As Fully Paid up Pursuant to Contract Without Payment of Cash | Shares Issued By Way of Bonus Shares | Shares Buy Back |
|--------------------------------------|--|--------------------------------------|-----------------|
| Equity Shares In Previous 5 Years | 0.00 | 0.00 | 0.00 |



MADHU SILICA PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021.

Consolidated Statement of Changes In Equity

NOTES No.12. OTHER EQUITY :

₹ In Lakhs

| A. Equity Share Capital | | Note | As At 31st March, 2021 | As At 31st March, 2020 |
|---|---|---|---------------------------|---|
| Particulars | | | | |
| Changes in Equity Share Capital During The Year | | 11 | 918.34 | 918.34 |
| Total | | | 918.34 | 918.34 |
| B. OTHER EQUITY | | | | |
| Particulars | Balance at the Beginning of the Reporting Period 01/04/2019 | Other Comprehensive Income/(losses) | Profit for the year | Premium on Buy Back of Shares |
| Reserves And Surplus | | | | |
| - Capital Redemption Reserve | 51.66 | 0.00 | 0.00 | 0.00 |
| - Securities Premium | 4,156.96 | 0.00 | 0.00 | 0.00 |
| - Retained Earnings | 54,430.42 | 0.00 | 11,115.03 | 0.00 |
| - Items of Other Comprehensive Income | 490.15 | -1,646.16 | 0.00 | 0.00 |
| Total Equity | 59,129.19 | -1,646.16 | 11,115.03 | 0.00 |
| | | | | Balance at the End of the Reporting Period 31/03/2020 |
| | | | | 68,598.05 |
| Particulars | Balance at the Beginning of the Reporting Period 01/04/2020 | Total Comprehensive Income/(Losses) | Profit for the year | Premium on Buy Back of Shares |
| Reserves And Surplus | | | | |
| - Capital Redemption Reserve | 51.66 | 0.00 | 0.00 | 0.00 |
| - Securities Premium | 4,156.96 | 0.00 | 0.00 | 0.00 |
| - Retained Earnings | 65,545.44 | 0.00 | 11,261.56 | 0.00 |
| - Items of Other Comprehensive Income | -1,156.01 | 4,327.22 | 0.00 | 0.00 |
| Total Equity | 68,598.05 | 4,327.22 | 11,261.56 | 0.00 |
| | | | | Balance at the End of the Reporting Period 31/03/2021 |
| | | | | 84,186.83 |

As per our Report of even dated.

For P. G. Hemani & Co
Firm Regd. No.103628W
Chartered Accountants



(Nihar D. Vora)
Partner.

M.No.151457

UDIN: 21151457/AAAABM2060

Date : 02/09/2021 : Place : Bhavnagar

For & on behalf of Board of Directors

Chairman
Ramesh Shah
DIN:00062983

Managing Director
Darshak Shah
DIN:00063063

Company Secretary
Aliaagar Mandorwala
Membership No.ACS-52449

DARSHAK FINSTOCK PVT LTD**PROVISIONAL BALANCE SHEET AS AT 31ST JULY, 2021**

| Particulars | | Notes # | AS AT 31.07.2021 Amount ₹ | AS AT 31.03.2021 Amount ₹ |
|--|----|---------|---------------------------|---------------------------|
| I. EQUITY AND LIABILITIES | | | | |
| 1 Shareholders' funds | | | | |
| (a) Share capital | 2 | | 20,00,000 | 20,00,000 |
| (b) Reserves and surplus | 3 | | 8,84,85,694 | 8,84,85,694 |
| (c) Money received against share warrants | | | 0 | 0 |
| Sub-total (1) | | | 9,04,85,694 | 9,04,85,694 |
| 2 Share application money pending allotment | | | | |
| 3 Non-current liabilities | | | | |
| (a) Long-term borrowings | 4 | | 0 | 0 |
| (b) Deferred tax liabilities (Net) | | | 0 | 0 |
| (c) Other Long term liabilities | | | 0 | 0 |
| (d) Long-term provisions | | | 0 | 0 |
| Sub-total (3) | | | 0 | 0 |
| 4 Current liabilities | | | | |
| (a) Short-term borrowings | | | 0 | 0 |
| (b) Trade payables | 5 | | 0 | 15,000 |
| (c) Other current liabilities | | | 0 | 0 |
| (d) Short-term provisions | 6 | | 2,49,090 | 7,50,000 |
| Sub-total (4) | | | 2,49,090 | 7,65,000 |
| TOTAL | | | 9,07,34,784 | 9,12,50,694 |
| II. ASSETS | | | | |
| Non-current assets | | | | |
| 1 (a) Fixed assets | | | | |
| (i) Tangible assets | | | 0 | 0 |
| (ii) Intangible assets | | | 0 | 0 |
| (ii) Capital work-in-progress | | | 0 | 0 |
| (iv) Intangible assets under development | | | 0 | 0 |
| | | | 0 | 0 |
| (b) Non-current investments | 7 | | 8,94,04,504 | 8,94,04,504 |
| (c) Deferred tax assets (net) | | | 0 | 0 |
| (d) Long-term loans and advances | | | 0 | 0 |
| (e) Other non-current assets | | | 0 | 0 |
| Sub-total (1) | | | 8,94,04,504 | 8,94,04,504 |
| 2 Current assets | | | | |
| (a) Current investments | | | 0 | 0 |
| (b) Inventories | | | 0 | 0 |
| (c) Trade receivables | | | 0 | 0 |
| (a) Cash and cash equivalents | 8 | | 7,64,891 | 7,80,801 |
| (b) Short-term loans and advances | 9 | | 5,65,389 | 5,65,389 |
| (c) Other current assets | 10 | | 0 | 5,00,000 |
| Sub-total (2) | | | 13,30,280 | 18,46,190 |
| TOTAL | | | 9,07,34,784 | 9,12,50,694 |

Darshak Finstock Pvt. Ltd.

Director

DARSHAK FINSTOCK PVT LTD**PROVISIONAL STATEMENT OF PROFIT & LOSS FOR THE PERIOD 01ST APRIL-21 TO 31ST JULY, 2021**

| Particulars | | Notes # | APR-21 TO JUL-21 Amount ₹ | 2020-2021 Amount ₹ |
|-------------|--|---------|---------------------------|--------------------|
| I. | Revenue from operations | | 0 | 0 |
| II. | Other income | 11 | 0 | 27,56,462 |
| III. | Total Revenue (I + II) | | 0 | 27,56,462 |
| IV. | Expenses: | | | |
| | Cost of materials consumed | | 0 | 0 |
| | Purchases of Stock-in-Trade | | 0 | 0 |
| | Changes in inventories of finished goods work-in-progress and Stock-in-Trade | | 0 | 0 |
| | Employee benefits expense | | 11 | 11 |
| | Finance costs | 12 | 0 | 649 |
| | Depreciation and amortization expense | | 0 | 0 |
| | Other expenses | 13 | 0 | 36,841 |
| | Total expenses (IV) | | 0 | 37,490 |
| V. | Profit before exceptional and extraordinary items and tax (III-IV) | | 0 | 27,18,972 |
| VI. | Exceptional items | | 0 | 0 |
| VII. | Profit before extraordinary items and tax (V - VI) | | 0 | 27,18,972 |
| VIII. | Extraordinary items | | 0 | 0 |
| IX. | Profit before tax (VII- VIII) | | 0 | 27,18,972 |
| X | Tax expense: | | | |
| | (1) Current tax | | 0 | 7,50,000 |
| | (2) Deferred tax | | 0 | 0 |
| | (3) Income Tax Prior Year | | 0 | 0 |
| XI | Profit (Loss) for the period from continuing operations (VII-VIII) | | 0 | 19,68,972 |
| XII | Profit/(loss) from discontinuing operations | | 0 | 0 |
| XIII | Tax expense of discontinuing operations | | 0 | 0 |
| XIV | Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | | 0 | 0 |
| XV | Profit (Loss) for the period (XI + XIV) | | 0 | 19,68,972 |
| XVI | Earnings per equity share: | 14 | | |
| | (1) Basic & Dilluted. | | 0 | 98 |
| | | | 0 | 98 |

Darshak Finstock Pvt. Ltd.


 Director

DARSHAK FINSTOCK PVT LTD

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST JULY 2021

NOTES No.2. SHARE CAPITAL :

| | AS AT 31.07.2021 Amount ₹ | AS AT 31.03.2021 Amount ₹ |
|---|------------------------------|------------------------------|
| 1 Authorised Shares:authorized; | | |
| 20,000 (Prev.Yr.20,000) Equity Shares of Rs.100/- each. | 20,00,000 | 20,00,000 |
| | 20,00,000 | 20,00,000 |
| 2 Issued, subscribed and fully paid Shares | | |
| 20,000 (Prev.Yr.20,000) Equity Shares of Rs.100/- each. | 20,00,000 | 20,00,000 |
| | 20,00,000 | 20,00,000 |

3 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;

| Equity Shares | Amount ₹ | Amount ₹ |
|--------------------------------------|----------|----------|
| At the beginning of the period | 20,000 | 20,000 |
| Issued during the period | 0 | 0 |
| Outstanding at the end of the period | 20,000 | 20,000 |

4 Terms & Right attached to Equity Shares:

Equity Shares: The company has one class of equity shares having a par value of Rs.100/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Director is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportionate to their shareholding.

5 Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

| | AS AT 31.07.2021 No. of Shares | AS AT 31.03.2021 No. of Shares |
|---|-----------------------------------|-----------------------------------|
| a) Equity Shares, fully paid up: | | |
| Ramesh V. Shah (Share held @ 51.88%) | 10,375 | 10,375 |
| Kalpna R. Shah (Share held @ 26.88%) | 5,375 | 5,375 |
| Darshak R. Shah (Share held @ 15%) | 3,000 | 3,000 |
| Reena D. Shah (Share held @ 6.25%) | 1,250 | 1,250 |

NOTES No.3. RESERVES AND SURPLUS :

| | AS AT 31.07.2021 Amount ₹ | AS AT 31.03.2021 Amount ₹ |
|---|------------------------------|------------------------------|
| a) Reserves and Surplus: | | |
| General Reserve | | |
| Opening Balance as per last financial statement | 1,00,000 | 1,00,000 |
| Add During the year | 0 | 0 |
| Closing Balance | 1,00,000 | 1,00,000 |
| b) Surplus/(Deficit) in the statement of Profit & Loss | | |
| Opening Balance as per last financial statement | 8,83,85,694 | 8,64,16,722 |
| Add: Profit/(Loss) for the year | 0 | 19,68,972 |
| LESS: | | |
| Income Tax Adjustment of Earlier Year. | 0 | 0 |
| Closing Balance | 8,83,85,694 | 8,83,85,694 |
| TOTAL: RESERVES AND SURPLUS | 8,84,85,694 | 8,84,85,694 |

Darshak Finstock Pvt. Ltd.


 Director

MADHU SILICA PRIVATE LIMITED

PROVISIONAL BALANCE SHEET AS AT 31ST JULY, 2021.



| Particulars | Notes | AS AT 31.07.2021 | AS AT 31.03.2021 |
|---|-------|------------------------|------------------------|
| | # | Amount in ₹ | Amount in ₹ |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 2 | 2,28,99,33,109 | 2,36,31,41,282 |
| Capital work-in-progress | 2 | 20,30,53,853 | 23,66,98,504 |
| Financial assets | | | |
| Investments | 3 | 5,29,51,82,128 | 3,99,37,78,211 |
| Other Financial Assets | 6 | 5,38,84,164 | 4,94,49,944 |
| Deferred tax Assets | 7 | 0 | 0 |
| Other assets | 8 | 1,20,85,877 | 7,04,684 |
| Total - Non Current Assets | | 7,85,41,39,130 | 6,64,37,72,625 |
| Current Assets | | | |
| Inventories | 9 | 43,60,40,519 | 34,42,06,351 |
| Financial assets | | | |
| Trade Receivables | 4 | 2,19,86,41,012 | 2,49,11,22,919 |
| Cash and Cash Equivalents | 10 | 16,37,14,577 | 49,02,84,876 |
| Loans | 5 | 24,56,20,463 | 9,41,021 |
| Other Financial Assets | 6 | 26,34,349 | 1,78,04,552 |
| Other Assets | 8 | 5,45,11,707 | 9,20,42,705 |
| Total - Current Assets | | 3,10,11,62,627 | 3,43,64,02,424 |
| TOTAL - ASSETS | | 10,95,53,01,757 | 10,08,01,75,049 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 11 | 9,18,34,400 | 9,18,34,400 |
| Other Equity | 12 | 9,25,33,94,372 | 8,41,86,82,533 |
| Total - Equity | | 9,34,52,28,772 | 8,51,05,16,933 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Deferred Tax Liabilities | 14 | 20,52,59,371 | 27,14,89,372 |
| Total - Non Current Liabilities | | 20,52,59,371 | 27,14,89,372 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Trade payables | 16 | | |
| a) Total Outstanding Dues Of Micro and Small Enterprises | 16 | 2,70,51,261 | 6,65,24,530 |
| b) Total Outstanding Dues Of Creditors Other Than Micro and | 16 | 1,16,92,97,082 | 1,06,20,45,417 |
| Provisions | 13 | 48,62,044 | 9,79,12,438 |
| Other Liabilities | 15 | 20,36,03,227 | 7,16,86,359 |
| Total - Current Liabilities | | 1,40,48,13,614 | 1,29,81,68,744 |
| TOTAL - EQUITY AND LIABILITIES | | 10,95,53,01,757 | 10,08,01,75,049 |
| Significant Accounting Policies | | | |
| Notes forming part of the financial statements | 1-29 | | |

Madhu Silica Pvt. Ltd.

Director

MADHU SILICA PRIVATE LIMITED

PROVISIONAL STATEMENT OF PROFIT & LOSS FOR THE PERIOD 01ST APR, 2021 TO 31ST JUL, 2021.



| Particulars | Notes # | APR-21 TO JULY-21 Amount in ₹ | 2020-2021 Amount in ₹ |
|---|---------|----------------------------------|--------------------------|
| INCOME: | | | |
| Revenue from operations | 17 | 4,26,89,30,151 | 11,17,74,24,781 |
| Other income | 18 | 12,15,45,196 | 11,04,31,063 |
| TOTAL REVENUE (I + II) | | 4,39,04,75,347 | 11,28,78,55,844 |
| EXPENSES: | | | |
| Cost of Raw Materials consumed | 19 | 1,67,60,43,617 | 4,53,08,18,116 |
| Purchases of Stock-in-Trade | | 0 | 0 |
| Changes in inventories of finished goods work-in-progress and Stock-in-Trade | 20 | -7,13,17,834 | -14,34,041 |
| Employee benefits expense | 21 | 33,76,71,416 | 94,97,36,317 |
| Finance costs | 22 | 22,83,417 | 82,88,253 |
| Depreciation and amortization expense | 23 | 158,894,856 | 61,17,11,743 |
| Other expenses | 24 | 1,31,83,33,678 | 3,21,20,65,025 |
| TOTAL EXPENSES | | 3,42,19,09,150 | 9,31,11,85,413 |
| PROFIT BEFORE TAX | | 96,85,66,197 | 1,97,66,70,432 |
| Tax expense: | | | |
| Current tax | 25 | 20,00,00,000 | 53,50,00,000 |
| Deferred tax | 25 | -6,61,45,642 | 32,05,84,431 |
| Income Tax Prior Year | 25 | 0 | -50,69,793 |
| TOTAL TAX EXPENSES | | 13,38,54,358 | 85,05,14,638 |
| PROFIT FOR THE YEAR | | 83,47,11,839 | 1,12,61,55,794 |
| OTHER COMPREHENSIVE INCOME/(LOSSES) | | | |
| A I Items that will be reclassified Subsequently to the Profit or Loss | | | |
| (a) Net Change in Fair Value of Investment other than Equity Shares carried at Fair Value through OCI | | 0 | 43,61,83,107 |
| (b) Net Change in Intrinsic Value of Derivatives designated as Cash Flow Hedges | | 0 | 0 |
| (c) Net Change in Time Value of Derivatives designated as Cash Flow Hedges | | 0 | 0 |
| II Income Tax on Items That Will be Reclassified Subsequently to Profit or Loss Account | | 0 | 0 |
| B I Items that will be not be Reclassified Subsequently to Profit or Loss | | | |
| (a) Remeasurement of Defined Employee Benefit Plans | | 0 | 0 |
| (b) Net Changes in Fair Values of Investments in Equity Shares Carried at Fair Value Through OCI | 26 | 0 | -34,61,445 |
| II Income Tax on Items That Will Not be Reclassified Subsequently to Profit or Loss Account | | 0 | 0 |
| TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES) | | 0 | 43,27,21,662 |
| IX. TOTAL COMPREHENSIVE INCOME | | 83,47,11,839 | 1,55,88,77,455 |
| X. Earnings per equity share :- | | | |
| Basic and diluted (₹) | 27 | 909 | 1,697 |
| Weighted average number of equity shares | | 9,18,344 | 9,18,344 |
| Significant Accounting Policies | | | |
| Notes forming part of the financial statements | 1-29 | | |

Madhu Silica Pvt. Ltd.


 Director

MADHU SILICA PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST JULY 2021.

NOTES No.11. SHARE CAPITAL :

| | AS AT 31.07.2021 | | AS AT 31.03.2021 | |
|---|------------------|--------------------|------------------|--------------------|
| | No. | Amount in ₹ | No. | Amount in ₹ |
| 1 Authorised Shares:authorized; Equity Shares of Rs.100/ each | 10,00,000 | 10,00,00,000 | 10,00,000 | 10,00,00,000 |
| | 10,00,000 | 10,00,00,000 | 10,00,000 | 10,00,00,000 |
| 2 Issued, subscribed and fully paid Shares Equity Shares of Rs.100/ each | 9,18,344 | 9,18,34,400 | 9,18,344 | 9,18,34,400 |
| | 9,18,344 | 9,18,34,400 | 9,18,344 | 9,18,34,400 |
| 3 Subscribed but not fully paid Shares | 0 | 0 | 0 | 0 |
| TOTAL: SHARE CAPITAL | 9,18,344 | 9,18,34,400 | 9,18,344 | 9,18,34,400 |

4 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

| | AS AT 31.07.2021 | | AS AT 31.03.2021 | |
|--------------------------------------|------------------|--------------------|------------------|--------------------|
| | No. | AMOUNT IN ₹ | No. | AMOUNT IN ₹ |
| At the beginning of the period | 9,18,344 | 9,18,34,400 | 9,18,344 | 9,18,34,400 |
| Buyback during the period | 0 | 0 | 0 | 0 |
| Issued during the period | 0 | 0 | 0 | 0 |
| Outstanding at the end of the period | 9,18,344 | 9,18,34,400 | 9,18,344 | 9,18,34,400 |

5 Terms & Right attached to Equity Shares

Equity Shares: The company has one class of equity shares having a par value of Rs.100/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Director is subject to approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportionate to their shareholding.

6 Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

| | AS AT 31.07.2021 | | AS AT 31.03.2021 | |
|----------------------------------|-------------------|-----------------|-------------------|-----------------|
| | No. of Share Held | % of Share Held | No. of Share Held | % of Share Held |
| a) Equity Shares, fully paid up: | | | | |
| Ramesh V. Shah | 2,60,029 | 28.31% | 2,60,029 | 28.31% |
| Ramesh Shah-HUF | 1,33,063 | 14.49% | 1,33,063 | 14.49% |
| Kalpna R. Shah | 1,06,754 | 11.62% | 1,06,754 | 11.62% |
| Darshak R Shah | 2,90,772 | 31.66% | 2,90,772 | 31.66% |

7 Disclosure for Shares Issued Other Than By Way of Cash and Buy Back of Shares

| | Shares Alloted As Fully Paid up Pursuant to Contract Without Payment of Cash | Shares Issued By Way of Bonus Shares | Shares Buy Back |
|--------------------------------------|--|--------------------------------------|-----------------|
| Equity Shares In Previous 5 Years | 0 | 0 | 0 |

Madhu Silica Pvt. Ltd.

Director

MADHU SILICA PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST JULY 2021.

Consolidated Statement Of Changes In Equity

NOTES No.12. OTHER EQUITY :

Amount in ₹

| A. Equity Share Capital | | Note | As At 31st July, 2021 | | As At 31st March, 2021 | |
|---|---|------|----------------------------|--|-------------------------------|---|
| Particulars | | | | | | |
| Changes in Equity Share Capital During The Year | | 11 | | 9,18,34,400 | | 9,18,34,400 |
| Total | | | | 9,18,34,400 | | 9,18,34,400 |
| B. OTHER EQUITY | | | Total Comprehensive Income | Transfer to / (from) Retained Earnings | Premium on Buy Back of Shares | Balance at the End of the Reporting Period 31/03/2021 |
| Particulars | Balance at the Beginning of the Reporting Period 01/04/2020 | | | | | |
| Reserves And Surplus | | | | | | |
| - Capital Redemption Reserve | 51,65,600 | C | 0 | 0 | 0 | 51,65,600 |
| - Securities Premium | 41,56,95,848 | C | 0 | 0 | 0 | 41,56,95,848 |
| - Retained Earnings | 6,55,45,44,390 | C | 1,12,61,55,794 | 0 | 0 | 7,68,07,00,184 |
| - Items of Other Comprehensive Income | -11,56,00,760 | | 0 | 0 | 0 | 31,71,20,902 |
| Total Equity | 6,85,98,05,078 | | 43,27,21,662 | 1,12,61,55,794 | 0 | 8,41,86,82,533 |
| | | | Total Comprehensive Income | Transfer to / (from) Retained Earnings | Premium on Buy Back of Shares | Balance at the End of the Reporting Period 31/07/2021 |
| Particulars | Balance at the Beginning of the Reporting Period 01/04/2021 | | | | | |
| Reserves And Surplus | | | | | | |
| - Capital Redemption Reserve | 51,65,600 | C | 0 | 0 | 0 | 51,65,600 |
| - Securities Premium | 41,56,95,848 | C | 0 | 0 | 0 | 41,56,95,848 |
| - Retained Earnings | 7,68,07,00,184 | C | 83,47,11,839 | 0 | 0 | 8,51,54,12,023 |
| - Items of Other Comprehensive Income | 31,71,20,902 | C | 0 | 0 | 0 | 31,71,20,902 |
| Total Equity | 8,41,86,82,533 | | 0 | 83,47,11,839 | 0 | 9,25,33,94,372 |

Madhu Silica Pvt. Ltd.

Director