



Amrit Corp. Ltd.

CIN: U15141UP1940PLC000946

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF AMRIT CORP. LTD. AT ITS MEETING HELD ON SEPTEMBER 15, 2023 AS PER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION OF AMRIT AGRO INDUSTRIES LTD. WITH AMRIT CORP. LIMITED ON EACH CLASS OF SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS), CREDITORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES OF AMRIT CORP. LIMITED AND LAYING DOWN IN PARTICULAR THE SHARE EXCHANGE RATIO, VALUATION ETC.

1. Based on the recommendations of the Audit Committee, the Board of Directors ("Board") of Amrit Corp. Ltd. ("Transferee Company" or "Company") at its meeting held on September 15, 2023 approved the Scheme of Amalgamation involving the Company and Amrit Agro Industries Ltd. ("Transferor Company") and their respective shareholders ("Scheme"), wherein the Transferor Company shall amalgamate into and with the Transferee Company in terms of Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment or other amendment(s) thereof for the time being in force.
2. In terms of Section 232(2)(c) of the Act, a Report from the Board of Directors of the Company, explaining the effect of the Scheme on each class of shareholders (promoters and non-promoter shareholders), creditors, key managerial personnel ("KMP"), and employees of the Company, setting out, among other things, the Share Exchange Ratio (as defined in the Scheme), specifying any special valuation difficulties, is required to be adopted by the Board. Such report is then required to be appended with the Notice of the meeting of shareholders and creditors, if such meeting is ordered by the Hon'ble National Company Law Tribunal, Allahabad Bench ("Hon'ble Tribunal" or "NCLT").
3. Accordingly, this Report of the Board is prepared to comply with the requirements of Section 232(2)(c) of the Act.
4. While deliberating on the Scheme, the Board, inter-alia, considered and took on record the following documents:
 - a) A draft of the proposed Scheme;
 - b) Valuation Report issued by CA Tejas Jatin Parikh, Partner, Gokhale & Sathe, Chartered Accountants, Mumbai registered with Insolvency and Bankruptcy Board of India (Registration No. IBBI/RV/06/2018/10201) ("Valuation Report") who in his report has recommended the share exchange ratio;
 - c) Auditor's Certificates dated September 18, 2023 issued by the Statutory Auditors of the Company i.e. M/s Mukesh Aggarwal & Co., Chartered Accountants, New Delhi in terms of proviso to sub-clause (h) of Section 232(3) of the Act, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Act;

Amrit Corporate Centre

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- d) Report of the Audit Committee of the Company dated September 15, 2023 recommending the Scheme, taking into consideration *inter alia*, the valuation report, and commenting on the need for the Scheme, rationale of the Scheme, cost benefit analysis of the Scheme and impact of the Scheme on the various stakeholders of the Company.

5. The Scheme, amongst others, contemplates the following arrangements:

- (a) Amalgamation of the Transferor Company with the Transferee Company in accordance with the provisions of Sections 230 to 232 of the Act, Section 2(1B) and other provisions of the Income Tax Act and other applicable laws;
- (b) The Scheme shall take effect from the Appointed Date i.e. 1st April, 2023 or such other date as the National Company Law Tribunal, Allahabad Bench, U.P. ("NCLT") may direct;
- (c) With effect from the Appointed Date and upon the Scheme becoming effective, the entire business of the Transferor Company including *inter alia* all movable/ immovable properties, tangible/intangible properties, if any, and all secured and unsecured debts, liabilities, including contingent liabilities and taxation obligations of the Transferor Company in the Transferee Company shall stand transferred to and vested in the Company, in the manner provided in the Scheme;
- (d) Issue and allotment of One (1) Optionally Convertible Redeemable Preference Shares ("OCRPS") of INR 10 each fully paid-up by the Transferee Company for every one (1) equity share of INR 10 each of the Transferor Company in consideration of the transfer and vesting of the assets and liabilities of the Transferor Company with the Transferee Company with an option to convert the OCRPS into two (2) equity shares of INR 10/- each fully paid-up of the Transferee Company for every twenty three (23) OCRPS of INR 10 each fully paid-up held by the shareholders of the Transferor Company, in one tranche, within a period not exceeding six (6) months from the date of allotment of OCRPS, as may be decided by the Transferee Company;

In the event the allottees of OCRPS choose not to convert the OCRPS, they will be compulsorily redeemed by the Transferee Company at the price of INR 73.60 per OCRPS of INR 10/- each including premium of INR 63.60 per OCRPS together with the cumulative dividend within a period of 6 (six) months from the date of allotment of such OCRPS, as may be decided by the Transferee Company.

- (e) Cancellation of the investment held by the Transferor Company in the form of equity shares of the Transferee Company;
- (f) Transfer of the Authorized Share Capital of the Transferor Company to the Transferee Company and consequential increase in the Authorized Share Capital of the Transferee Company as provided in Part C of the Scheme;
- (g) Dissolution of the Transferor Company without winding-up.

6. Effectiveness of the Scheme

The effectiveness of the Scheme is conditional upon fulfilment of the actions specified in the Scheme, which *inter alia* include:



- (a) the Scheme being agreed to (in the manner prescribed herein) by the respective requisite majorities of the shareholders and creditors of the Companies as required under the Act;
- (b) the Scheme being sanctioned by the Hon'ble NCLT under Sections 230 to 232 of the Companies Act.

Upon the fulfilment of the aforementioned conditions, the Scheme shall become effective:

- i) On the date or last of the dates on which the certified copies of the order of the Hon'ble NCLT sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with the Registrar of Companies ("Effective Date");
- ii) On the date on which last of the consents, approvals, sanctions and/or orders as are provided in the Scheme have been obtained.

7. Need, Rationale and Benefits of the Scheme:

Both the Transferor Company and the Transferee Company have been promoted by the same promoters and belong to the same group. Both the companies were listed public companies and have now been delisted under and in accordance with SEBI regulations. The Scheme proposes to consolidate the Transferor Company with the Transferee Company and scale down the number of companies so as to create a large unified entity to achieve optimal and efficient utilization of resources, avoid overlap of compliance related costs and enhance operational and management efficiencies. The merger of the Transferor Company with the Transferee Company pursuant to this Scheme would have, inter-alia, the following benefits:

- (i) The consolidation of the Group companies as a single entity will lead to efficient utilization of the capital and financial resources and will provide several benefits including streamlined group structure by reducing number of entities, reducing the multiplicity of legal and regulatory compliances and rationalization of cost;
- (ii) Lead to the creation of a larger unified entity with a wider and stronger capital and asset base, having greater capacity for conducting its operations more efficiently and competitively;
- (iii) Result in reduction in fixed expenses, overheads, administrative and other expenditure of the group companies and eliminate multi-layer structure, managerial overlaps and cost duplication;
- (iv) Consolidation of managerial expertise of the companies will facilitate greater focus and utilization of resources;
- (v) Provide exit opportunity to the shareholders of the Transferor Company at a Fair Value of their equity shares.

8. Valuation Report:

As per Valuation Report dated September 11, 2023 issued by Valuer, CA Tejas Jatin Parikh, Partner, Gokhale & Sathe, Chartered Accountants, Mumbai, registered with Insolvency and Bankruptcy Board of India (Registration No. IBBI/RV/06/2018/10201):



- (i) Fair exchange ratio for the proposed amalgamation of AAIL with ACL is as under:

“One (1) 7% Optionally Convertible Redeemable Preference Share (OCRPS) of ACL of INR 10 each fully paid up for every 1 (One) equity shares of AAIL of INR 10 each fully paid up”;

- (ii) Conversion ratio of OCRPS into equity shares of ACL for those shareholders who exercise the option to convert OCRPS into equity shares of ACL would be as under:

“2 (two) equity shares of ACL of INR 10 each fully paid up for every twenty three (23) 7% OCRPS of ACL of INR 10 each fully paid-up”;

- (iii) Redemption value for those shareholders who do not exercise the option to convert OCRPS into equity shares of ACL would be:

“INR 73.60 per OCRPS”.

Valuation Report dated September 11, 2023 issued by Valuer, CA Tejas J.Parikh, Partner, Gokhale & Sathe, Chartered Accountants, Mumbai, registered with Insolvency and Bankruptcy Board of India (Registration No. IBBI/RV/06/2018/10201) was placed on the table.

The proposed Scheme was placed before the Audit Committee of Amrit Corp. Ltd. at its meeting held on September 15, 2023. The Audit Committee took into account the Valuation Report provided by the Valuers and recommended the proposed Scheme to the Board of Directors of the Company.

The Board of Directors of the Company took into account the recommendations of the Audit Committee, Share Exchange Ratio, Conversion Ratio of OCRPS into Equity Shares and Redemption Value of OCRPS provided in the Valuation Report dated September 11, 2023 issued by the Independent Registered Valuer.

Based on the aforesaid, the Board of Directors of the Company has come to conclusion that the Share Exchange Ratio, Conversion Ratio of OCRPS into Equity Shares and Redemption Value of OCRPS provided in the Valuation Report are fair and reasonable and accordingly approved the same at its meeting held on September 15, 2023.

No special valuation difficulties were reported by the Valuer.

9. Effect of the Scheme

Effect of Scheme on Directors, Promoters, KMPs, Non-promoter members, Creditor and employees of the Transferee Company

1. Effect on the equity shareholders (promoter shareholders and non-promoter shareholders):

As far as the equity shareholders of the Transferee Company i.e. both promoter shareholders as well as non-promoter shareholders, are concerned, the amalgamation of the Transferor Company with the Company will result in (i) increase of the public shareholding in the Transferee Company by 1.57% (i.e. from 6.28% to 7.85%) and in turn reduce the promoter group shareholding of the Transferee Company to that extent in case all the equity shareholders of the Transferor Company opt for conversion of OCRPS into equity shares and (ii) dilution of the public shareholding in the Transferee Company's shares by 0.45% and in turn will increase the promoter group shareholding of the Transferee Company's shares to that extent in case all the



public shareholders of the Transferor Company chose not to convert OCRPS into equity shares but to redeem the OCRPS.

Further, the Transferee Company shall without any further application, act or deed, issue and allot One (1) 7% Non-Cumulative, Non Participating, Optionally Convertible Redeemable Preference Shares (OCPRS) of INR 10/- each on the terms & conditions given in the Scheme for every one (1) equity share of INR 10/- held by all the shareholders of the Transferor Company, whose name(s) appear(s) in the register of members of the Transferor Company as on the Record Date fixed for the purpose or to such all other respective heirs, executors, administrators or other legal representatives or other successors and titles as may be recognized by the Board of Directors of the Transferee Company. The issuance of OCRPS in terms of the Scheme, will have no significant impact on the shareholders of the Transferee Company, except consequent dilution upon issuance of the New Shares.

The terms of OCRPS interalia provide that:

- (a) the OCRPS will be convertible into two (2) equity share of INR 10/- each fully paid-up of the Transferee Company for every 23 (twenty three) OCRPS held by the shareholders, in one tranche at the option of the allottees within a period not exceeding 6 (six) months from the date of allotment of OCRPS, as may be decided by the Transferee Company;
- (b) In the event the allottees of OCRPS choose not to convert the OCRPS, they will be compulsorily redeemed by the Transferee Company at the price of INR 73.60 per OCRPS of INR 10/- each including premium of INR 63.60 per OCRPS together with the cumulative dividend within a period not exceeding 6 (six) months from the date of allotment of such OCRPS, as may be decided by the Transferee Company.

2. Effect on the Directors and Key Managerial Personnel:

There shall be no effect on the Board of Directors and/or KMPs of the Transferee Company except to the extent that Mr. Jagdish Chand Rana, Executive Director of the Company, currently holding directorship in the Transferor Company, shall cease to be director of the Transferor Company and except to the extent of the equity shares held (if any) by the directors/KMPs and their relatives in the Transferor Company.

The effect of the Scheme on the interests of the Board of Directors and/or KMPs and their relatives holding shares in the Transferee Company, is not different from the effect of the Scheme on other shareholders of the Transferee Company.

3. Effect on the creditors:

In the Transferee Company, the outstanding amounts of the secured and unsecured creditors are Rs.152.43 lakhs and Rs.58.78 lakhs respectively as on 15.09.2023. Under the Scheme no arrangement or compromise is being proposed with the creditors (secured or unsecured) of the Transferee Company. The Transferee Company is a continuing company and the liability of the creditors of the Company, under the Scheme, is neither being reduced nor being extinguished.

4. Effect on staff or employees:

Under the Scheme, no rights of the staff and employees (who are on payroll of the Transferee Company) are being affected. The services of the staff and employees of the Transferee



Company shall continue on the same terms and conditions applicable prior to the proposed Scheme.

Further, upon the Scheme becoming effective, the employees of the Transferor Company ('Employees') will be deemed to have become employees of the Transferee Company pursuant to the Scheme with effect from the Effective Date.

All such Employees shall be deemed to have become employees of the Transferee Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company, shall not be less favorable than those applicable to them with reference to their employment in the Transferor Company as on the Effective Date.

5. Effect on the deposit holders:

As on date of this notice, the Transferee Company has no outstanding public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise.

10. Conclusion

While deliberating on the Scheme, the Board has considered its impact on each of the shareholders (promoters and non-promoter shareholders), KMPs, creditors and employees. In the opinion of the Board, the Scheme is in the best interest of the shareholders (promoters and non-promoter shareholders), KMPs, creditors and employees of the Company and there will be no prejudice caused to them in any manner by the Scheme.

The Board has adopted this Report after noting and considering the documents and information set forth in this Report. In order for the Transferee Company to comply with the requirements of extant regulations applicable to companies undertaking any scheme of amalgamation, this report of the Board may please be taken on record while considering the Scheme.

By order of the Board of Directors of Amrit Corp. Limited


N.K. Bajaj
Chairman



Date: September 15, 2023

Place: Ghaziabad



AMRIT AGRO INDUSTRIES LTD.

CIN: U01111UP1985PLC010776

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF AMRIT AGRO INDUSTRIES LTD. AT ITS MEETING HELD ON SEPTEMBER 15, 2023 AS PER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION OF AMRIT AGRO INDUSTRIES LTD. WITH AMRIT CORP. LIMITED ON EACH CLASS OF SHAREHOLDERS (PROMOTERS AND NON-PROMOTERS), CREDITORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES OF AMRIT AGRO INDUSTRIES LIMITED AND LAYING DOWN IN PARTICULAR THE SHARE EXCHANGE RATIO, VALUATION ETC.

1. The Board of Directors ("Board") of Amrit Agro Industries Ltd. ("Transferor Company") at its meeting held on September 15, 2023 approved the Scheme of Amalgamation involving Amrit Corp. Ltd. ("Transferee Company") and Amrit Agro Industries Ltd. ("Transferor Company") and their respective shareholders ("Scheme"), wherein the Transferor Company shall amalgamate into and with the Transferee Company in terms of Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules made thereunder (including any statutory modification(s) or re-enactment or other amendment(s) thereof for the time being in force.
2. In terms of Section 232(2)(c) of the Act, a Report from the Board of Directors of the Transferor Company, explaining the effect of the Scheme on each class of shareholders (promoters and non-promoter shareholders), creditors, key managerial personnel ("KMP"), and employees of the Transferor Company, setting out, among other things, the Share Exchange Ratio (as defined in the Scheme), specifying any special valuation difficulties, is required to be adopted by the Board. Such report is then required to be appended with the Notice of the meeting of shareholders and creditors, if such meeting is ordered by the Hon'ble National Company Law Tribunal, Allahabad Bench ("Hon'ble Tribunal" or "NCLT").
3. Accordingly, this Report of the Board is prepared to comply with the requirements of Section 232(2)(c) of the Act.
4. While deliberating on the Scheme, the Board, inter-alia, considered and took on record the following documents:
 - a) A draft of the proposed Scheme;
 - b) Valuation Report issued by CA Tejas Jatin Parikh, Partner, Gokhale & Sathe, Chartered Accountants, Mumbai registered with Insolvency and Bankruptcy Board of India (Registration No. IBBI/RV/06/2018/10201) ("Valuation Report") who in his report has recommended the share exchange ratio;
 - c) Auditor's Certificates dated September 18, 2023 issued by the Statutory Auditors of the Company i.e. M/s Mukesh Aggarwal & Co., Chartered Accountants, New Delhi in terms of proviso to sub-clause (h) of Section 232(3) of the Act, to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Act;



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5. The Scheme, amongst others, contemplates the following arrangements:

- (a) Amalgamation of the Transferor Company with the Transferee Company in accordance with the provisions of Sections 230 to 232 of the Act, Section 2(1B) and other provisions of the Income Tax Act and other applicable laws;
- (b) The Scheme shall take effect from the Appointed Date i.e. 1st April, 2023 or such other date as the National Company Law Tribunal, Allahabad Bench, U.P. ("NCLT") may direct;
- (c) With effect from the Appointed Date and upon the Scheme becoming effective, the entire business of the Transferor Company including inter alia all movable/ immovable properties, tangible/intangible properties, if any, and all secured and unsecured debts, liabilities, including contingent liabilities and taxation obligations of the Transferor Company in the Transferee Company shall stand transferred to and vested in the Company, in the manner provided in the Scheme;
- (d) Issue and allotment of One (1) Optionally Convertible Redeemable Preference Shares ("OCRPS") of INR 10 each fully paid-up by the Transferee Company for every one (1) equity share of INR 10 each of the Transferor Company in consideration of the transfer and vesting of the assets and liabilities of the Transferor Company with the Transferee Company with an option to convert the OCRPS into two (2) equity shares of INR 10/- each fully paid-up of the Transferee Company for every twenty three (23) OCRPS of INR 10 each fully paid-up held by the shareholders of the Transferor Company, in one tranche, within a period not exceeding six (6) months from the date of allotment of OCRPS, as may be decided by the Transferee Company;

In the event the allottees of OCRPS choose not to convert the OCRPS, they will be compulsorily redeemed by the Transferee Company at the price of INR 73.60 per OCRPS of INR 10/- each including premium of INR 63.60 per OCRPS together with the cumulative dividend within a period of 6 (six) months from the date of allotment of such OCRPS, as may be decided by the Transferee Company.

- (e) Cancellation of the investment held by the Transferor Company in the form of equity shares of the Transferee Company;
- (f) Transfer of the Authorized Share Capital of the Transferor Company to the Transferee Company and consequential increase in the Authorized Share Capital of the Transferee Company as provided in Part C of the Scheme;
- (g) Dissolution of the Transferor Company without winding-up.

6. Effectiveness of the Scheme

The effectiveness of the Scheme is conditional upon fulfilment of the actions specified in the Scheme, which *inter alia* include:

- (a) the Scheme being agreed to (in the manner prescribed herein) by the respective requisite majorities of the shareholders and creditors of the Companies as required under the Act;



- (b) the Scheme being sanctioned by the Hon'ble NCLT under Sections 230 to 232 of the Companies Act.

Upon the fulfilment of the aforementioned conditions, the Scheme shall become effective:

- i) On the date or last of the dates on which the certified copies of the order of the Hon'ble NCLT sanctioning the Scheme are filed by the Transferor Company and the Transferee Company with the Registrar of Companies ("Effective Date");
- ii) On the date on which last of the consents, approvals, sanctions and/or orders as are provided in the Scheme have been obtained.

7. Need, Rationale and Benefits of the Scheme:

Both the Transferor Company and the Transferee Company have been promoted by the same promoters and belong to the same group. Both the companies were listed public companies and have now been delisted under and in accordance with SEBI regulations. The Scheme proposes to consolidate the Transferor Company with the Transferee Company and scale down the number of companies so as to create a large unified entity to achieve optimal and efficient utilization of resources, avoid overlap of compliance related costs and enhance operational and management efficiencies. The merger of the Transferor Company with the Transferee Company pursuant to this Scheme would have, inter-alia, the following benefits:

- (i) The consolidation of the Group companies as a single entity will lead to efficient utilization of the capital and financial resources and will provide several benefits including streamlined group structure by reducing number of entities, reducing the multiplicity of legal and regulatory compliances and rationalization of cost;
- (ii) Lead to the creation of a larger unified entity with a wider and stronger capital and asset base, having greater capacity for conducting its operations more efficiently and competitively;
- (iii) Result in reduction in fixed expenses, overheads, administrative and other expenditure of the group companies and eliminate multi-layer structure, managerial overlaps and cost duplication;
- (iv) Consolidation of managerial expertise of the companies will facilitate greater focus and utilization of resources;
- (v) Provide exit opportunity to the shareholders of the Transferor Company at a Fair Value of their equity shares.

8. Valuation Report:

As per Valuation Report dated September 11, 2023 issued by Valuer, CA Tejas Jatin Parikh, Partner, Gokhale & Sathe, Chartered Accountants, Mumbai, registered with Insolvency and Bankruptcy Board of India (Registration No. IBBI/RV/06/2018/10201):

- (i) Fair exchange ratio for the proposed amalgamation of AAIL with ACL is as under:

"One (1) 7% Optionally Convertible Redeemable Preference Share (OCRPS) of ACL of INR 10 each fully paid up for every 1 (One) equity shares of AAIL of INR 10 each fully paid up";



- (ii) Conversion ratio of OCRPS into equity shares of ACL for those shareholders who exercise the option to convert OCRPS into equity shares of ACL would be as under:

"2 (two) equity shares of ACL of INR 10 each fully paid up for every twenty three (23) 7% OCRPS of ACL of INR 10 each fully paid-up";

- (iii) Redemption value for those shareholders who do not exercise the option to convert OCRPS into equity shares of ACL would be:

"INR 73.60 per OCRPS".

Valuation Report dated September 11, 2023 issued by Valuer, CA Tejas J.Parikh, Partner, Gokhale & Sathe, Chartered Accountants, Mumbai, registered with Insolvency and Bankruptcy Board of India (Registration No. IBBI/RV/06/2018/10201) was placed on the table.

The Board of Directors of the Transferor Company took into account the recommendations in relation to Share Exchange Ratio, Conversion Ratio of OCRPS into Equity Shares and Redemption Value of OCRPS provided in the Valuation Report dated September 11, 2023 issued by the Independent Registered Valuer.

Based on the aforesaid, the Board of Directors of the Transferor Company has come to conclusion that the Share Exchange Ratio, Conversion Ratio of OCRPS into Equity Shares and Redemption Value of OCRPS provided in the Valuation Report are fair and reasonable and accordingly approved the same at its meeting held on September 15, 2023.

No special valuation difficulties were reported by the Valuer.

9. Effect of the Scheme

Effect of Scheme on Directors, Promoters, KMPs, Non-promoter members, Creditor and employees of the Transferor Company

1. Effect on the equity shareholders (promoter shareholders and non-promoter shareholders):

- (a) The equity shares of the Transferee Company held by the Transferor Company shall stand cancelled in their entirety, which shall be effected as part of the Scheme and not in accordance with Section 66 of the Companies Act, 2013.
- (b) As far as the equity shareholders of the Transferor Company i.e. both promoter shareholders as well as non-promoter shareholders, are concerned, the amalgamation of the Transferor Company with the Transferee Company as per the Scheme will result in all such shareholders of the Transferor Company, as on the Record Date, receiving Non-Cumulative, Non Participating, Optionally Convertible Redeemable Preference Shares (OCRPS) in the manner as stipulated in Part C of the Scheme.
- (c) Upon the Scheme becoming effective, the Transferee Company shall without any further application, act or deed, issue and allot One (1) 7% Non-Cumulative, Non Participating, Optionally Convertible Redeemable Preference Shares (OCRPS) of INR 10/- each on the terms & conditions given in the Scheme for every one (1) equity share of INR 10/- held by all the shareholders of the Transferor Company, whose name(s) appear(s) in the register of members of the Transferor Company as on the Record Date fixed for the purpose or to such all other respective heirs, executors, administrators or other legal representatives or other



successors and titles as may be recognized by the Board of Directors of the Transferee Company. The issuance of OCRPS in terms of the Scheme, will have no significant impact on the shareholders of the Transferee Company, except consequent dilution upon issuance of the New Shares.

(d) The terms of OCRPS interalia provide that:

- i. the OCRPS will be convertible into two (2) equity share of INR 10/- each fully paid-up of the Transferee Company for every 23 (twenty three) OCRPS held by the shareholders, in one tranche at the option of the allottees within a period not exceeding 6 (six) months from the date of allotment of OCRPS, as may be decided by the Transferee Company;
- ii. In the event the allottees of OCRPS choose not to convert the OCRPS, they will be compulsorily redeemed by the Transferee Company at the price of INR 73.60 per OCRPS of INR 10/- each including premium of INR 63.60 per OCRPS together with the cumulative dividend within a period not exceeding 6 (six) months from the date of allotment of such OCRPS, as may be decided by the Transferee Company.

2. Effect on the Directors and Key Managerial Personnel:

The Board of Directors of the Transferor Company shall stand dissolved upon the Scheme coming into effect.

Pursuant to the Scheme, the Transferor Company shall be dissolved without winding up and therefore current KMPs of the Transferor Company shall cease to hold their positions and cease to be the KMPs of the Transferor Company.

Further, the Board of Directors and/or KMPs shall also be affected to the extent of the equity shares (if any) held by them or their relatives in the Transferor Company. The effect of the Scheme on the interests of the Board of Directors and/or KMPs and their relatives holding shares (if any) in the Transferor Company, is not different from the effect of the Scheme on other shareholders of the Transferor Company

3. Effect on the creditors:

There are no unsecured creditors in the Transferor Company. As regards the secured creditors, there is only one secured creditor of one car loan, the outstanding amount of which is Rs.0.98 lakhs, obtained by the Transferor Company for funding the car pertaining to the Company.

Under the Scheme no arrangement or compromise is being proposed with the creditors of the Transferor Company. The liability of the creditors of the Transferor Company, under the Scheme, is neither being reduced nor being extinguished.

4. Effect on staff or employees:

Under the Scheme, no rights of the staff and employees (who are on payroll of the Transferor Company) are being affected. The services of the staff and employees of the Transferor Company shall continue on the same terms and conditions applicable prior to the proposed Scheme.



Further, upon the Scheme becoming effective, the staff and employees of the Transferor Company will be deemed to have become employees of the Transferee Company pursuant to the Scheme with effect from the Effective Date.


All such Employees shall be deemed to have become employees of the Transferee Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company, shall not be less favorable than those applicable to them with reference to their employment in the Transferor Company as on the Effective Date.

10. Conclusion

While deliberating on the Scheme, the Board has considered its impact on each of the shareholders (promoters and non-promoter shareholders), KMPs, creditors and employees. In the opinion of the Board, the Scheme is in the best interest of the shareholders (promoters and non-promoter shareholders), KMPs, creditors and employees of the Transferor Company and there will be no prejudice caused to them in any manner by the Scheme.

The Board has adopted this Report after noting and considering the documents and information set forth in this Report. In order for the Transferor Company to comply with the requirements of extant regulations applicable to companies undertaking any scheme of amalgamation, this report of the Board may please be taken on record while considering the Scheme.

By order of the Board of Directors of Amrit Agro Industries Limited


N.K. Bajaj
Chairman

Date: September 15, 2023
Place: Ghaziabad

