

# ANNEXURE- X

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## COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

JANAADHAR (INDIA) PRIVATE LIMITED

AND

INGENIOUS QUALITY BUILDINGS PRIVATE LIMITED

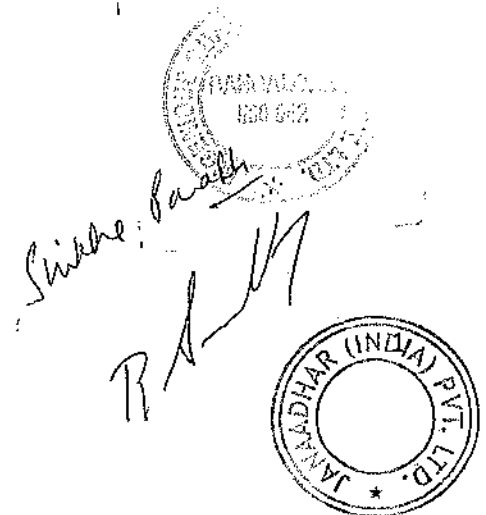
AND

THEIR RESPECTIVE SHAREHOLDERS

AND

THEIR RESPECTIVE CREDITORS

UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013




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## I. PREAMBLE

1. **INGENIOUS QUALITY BUILDINGS PRIVATE LIMITED** (the "Transferor Company") is a private limited company incorporated under the Companies Act, 2013, having its registered office at "Pranava Lake View", No. 4, No.4/1 to 4/8, Meanee Avenue Road, Old Tank Road, Ulsoor, Bangalore - 560042 India that is engaged in the business of providing construction solution using precast technology and other innovative construction technology to entities operating in the real estate and infrastructure sector.
2. **JANAADHAR (INDIA) PRIVATE LIMITED** (the "Transferee Company") is a private limited company incorporated under the Companies Act, 1956 having its registered office at "Pranava Lake View", No. 4, No.4/1 to 4/8, Meanee Avenue Road, Old Tank Road, Ulsoor, Bangalore - 560042 that is engaged in the business of developing affordable housing projects across several cities in India.
3. The Merger pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.
4. The Boards of Directors of the Transferor Company and the Transferee Company believe that it will be mutually beneficial for the Transferor Company to merge into the Transferee Company as their businesses are complementary to each other and the merger will help them rationalize various functions.
5. Considering the above factors, this composite scheme of arrangement ("the Scheme") is presented under Sections 230 to 232 of the Act and other applicable provisions of the Act (including any statutory modification or re-enactment or amendment thereof) as an integrated Scheme which provides for:
  - (a) Amalgamation of the Transferor into Transferee without winding up; and
  - (b) Reorganization of the share capital of Transferee,

so as to become effective upon the Scheme being sanctioned by the National Company Law Tribunal. Upon completion of the said merger/amalgamation, the Transferee Company would inter-alia carry on the business of the Transferor Company.

*Swine Parash*  
*R. S. H.*

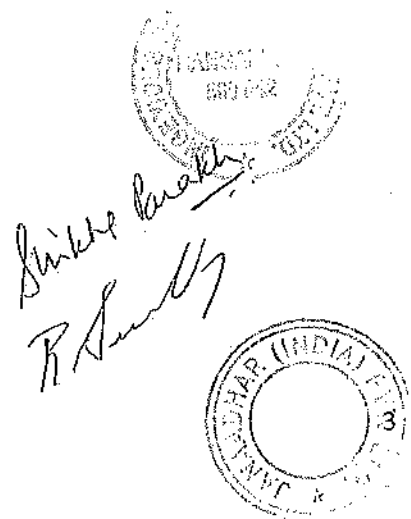


## II. RATIONALE FOR THE SCHEME

The Board of Directors of both the Transferor Company and the Transferee Company considered that the Scheme involving amalgamation of the Transferor Company into the Transferee Company and reorganization of share capital of the Transferee Company would *inter-alia* have the following benefits:

- (a) The Merger is expected to achieve cost savings from more focused operational efforts, rationalization and standardization of business processes by way of consolidation.
- (b) The members of the Transferor Company will get access to a wider customer base and the Transferee Company will get access to the technical expertise of the members of the Transferor Company.
- (c) The Merger is expected to achieve business synergies and is expected to enable carrying on the businesses more economically.
- (d) The Merger is intended to rationalize the business operations and activities, to utilize the potential for growth and diversification and for better optimization of costs and resources.
- (e) The Merger would result in consolidation and simplification of the overall group structure, to enable better and more efficient management, control and running of its various businesses and offering opportunities to vigorously pursue growth and expansion.

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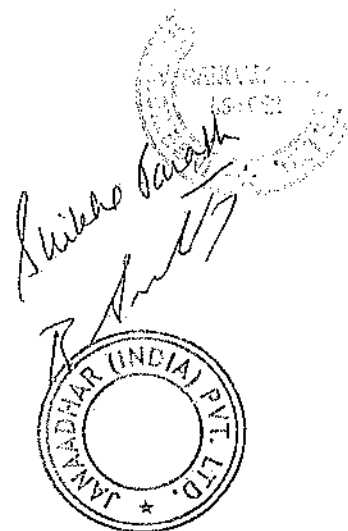


### III. DETAILS OF THE SCHEME

The Scheme is divided into the following parts:

1. Part A - Dealing with definitions and capital structure;
2. Part B - Dealing with the amalgamation of Transferor Company (Ingenious Quality Buildings Private Limited) with the Transferee Company (Janaadhar (India) Private Limited); and
3. Part C - General Terms and Conditions.

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## PART A

DEFINITIONS AND CAPITAL STRUCTURE

## 1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.01 "Act" means the Companies Act, 2013, as applicable and the rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof.
- 1.02 "Appointed Date" means April 01, 2019 or such other date as may be modified, upon mutual considerations and acceptance, by the Board of Directors of the Transferor Company and the Transferee Company to be the Appointed Date, and / or being such date as approved by the Tribunal.
- 1.03 "Board of Directors" in relation to each of the Transferor Company and Transferee Company, as the case may be, means the board of directors of the relevant company.
- 1.04 "Consideration Shares" means such number of Equity Shares and Preference Shares being issued to the Transferor Members as consideration for the Merger as set out in detail in Clause 16.
- 1.05 "Effective Date" shall be the date on which a certified copy of the order sanctioning the Scheme passed by the Tribunal is filed with the Registrar of Companies, Karnataka.
- 1.06 "Equity Shares" means the equity shares of the Transferee Company having a face value of Rs. 10/- (Rupees Ten).
- 1.07 "Governmental Authority" means: (a) any national or state government or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, (b) any public international organisation, or other political subdivision or other government, governmental, regulatory or administrative authority, agency, board, bureau, department, instrumentality or commission or any court, tribunal, judicial or arbitral body of competent jurisdiction or stock exchange, (c) any agency, division, bureau, department or other sector of any government, entity or organisation described in the foregoing sub clause (a) or (b) of this definition, or (d) any company, business, enterprise or other entity owned or controlled by any government, entity, organisation described in the foregoing clauses (a), (b) or (c) of this definition.
- 1.08 "INR" or "Rupees" means the lawful currency of Republic of India.
- 1.09 "Laws" includes (but is not limited to) all applicable:

*Shri. K. R. Rao*



- a. statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, by-laws, regulations, listing agreements, notifications, guidelines, circulars, schemes or policies of any applicable country and/or jurisdiction;
- b. administrative interpretation, writ, injunction, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any Governmental Authority; and
- c. international treaties, conventions and protocols; as may be in force from time to time.

1.10 "Merger" means the amalgamation of Transferor Company into Transferee Company in accordance with this Scheme and in accordance with Section 2(1B) of the Income Tax Act, 1961.

1.11 "Record Date" means a date to be fixed by the Board of Directors of the Transferor Company, being a date post sanction of the Scheme but before the Effective Date, and which shall thereafter be intimated to the Board of Directors of the Transferee Company. The Record Date shall be a date no later than 7 (Seven) days following the sanction of the Scheme.

1.12 "Preference Shares" or "Series A CCPS" means the series A compulsorily convertible non-cumulative preference shares of the Transferee Company having a face value of Rs. 10/- (Rupees Ten).

1.13 "Registrar of Companies" or "RoC" means the registrar of companies, Bangalore.

1.14 "Sanction of the Scheme" means the order of the Tribunal sanctioning the Scheme.

1.15 "Scheme" or "the Scheme" or "this Scheme" means this scheme of arrangement in its present form or with any modification(s) made under Clause 23 of this Scheme as approved or directed by the Tribunal or any other appropriate authority.

1.16 "Share Exchange Ratio" means the ratio in which shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company under Clause 16.

1.17 "Taxes" means and includes without limitation all taxes (Indian, and where applicable, non-Indian), including income tax, dividend distribution tax, capital gains tax, fringe benefit tax, equalization levy, sales tax, GST, value added tax, excise duty (including, without limitation, central and state excise), customs duty, local body tax, octroi, entry tax, wealth tax, gift tax, stamp duty, any tax in relation to collection, gains, franchise, property (whether immovable or movable), use, employment, license, imposts, payroll, occupation, transfer taxes, governmental charges, fees, charges, deductions or withholdings by whatever name they are called in the nature of tax, levies, statutory gratuity and provident fund payments or other employment benefit plan contributions and similar charges of any jurisdiction and shall include any interest, fines, penalties related thereto

and, with respect to such taxes, any estimated tax, penalties and interest on such penalties, "Tax" and "Taxation" shall be construed accordingly.

1.18 "Transferor Company Undertaking" means all the undertakings and entire business of the Transferor Company as a going concern, including all assets and liabilities and without limitation:

- (i) all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, without limitation, all capital work-in-progress, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;
- (ii) all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company;
- (iii) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertakings of the Transferor Company for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in Law if the Merger pursuant to this Scheme does not take place; and



*Shri R. K. Singh*  
R. K. Singh



(iv) all trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, technologies, software, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company.

(v) all employees engaged by the Transferor Company as on the Effective Date.

1.19 "Transferor Members" is a collective reference to Mr. Sandeep Bedi and Mr. Chander Dutta.

1.20 "Tribunal" means the Honourable National Company Law Tribunal or any other forum competent to sanction the present Scheme.

1.21 The words or expressions elsewhere defined in the Scheme will have the meaning(s) respectively ascribed thereto. The words or expressions not defined in this Scheme, unless repugnant or contrary to the context or meaning hereof, have the meaning ascribed to them under the articles of association of the Transferor Company or Transferee Company, as the case may be, or the Act, and/or other applicable Laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

2.01 The Share Capital structure of the Transferor Company as on April 01, 2019 is as follows:

Particulars	Amount (in INR)
<u>Authorised</u> 10,000 equity shares of INR 10/- each	INR 1,00,000/-
<u>Issued, subscribed and paid up</u> 10,000 equity shares of INR 10/- each	INR 1,00,000/-

*Sandeep Bedi*  
*R. Sandeep*

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2.02 The Share Capital structure of the Transferee Company as on April 1, 2019 is as follows:

Particulars	Amount (in INR)
<b>Authorised</b>	
36,05,000 Equity Shares of Rs. 10/- each	INR 16,27,50,000/-
6,70,000 Class 'A' Preference Shares of Rs. 10/- each	(Rupees Sixteen Crores
12,00,000 (Twelve Lakhs) Class 'B' Preference Shares of Rs. 100/- each	Twenty-Seven Lakhs and Fifty Thousand)
<b><u>Issued, subscribed and paid up</u></b>	
22,53,087 equity shares of Rs. 10/- each.	INR 2,25,30,870/-

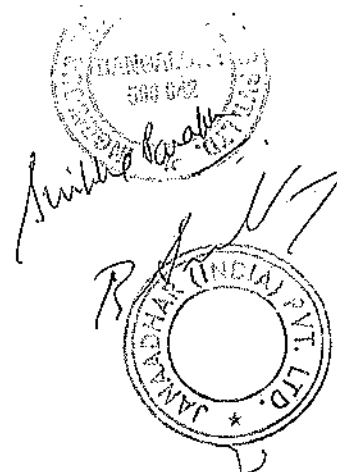
2.03 The Share Capital structure of the Transferee Company as on date of filing of this Scheme is as follows:

Particulars	Amount (in INR)
<b>Authorised</b>	
36,05,000 equity shares of Rs. 10/- each	INR 16,27,50,000/-
6,70,000 Class 'A' Preference Shares of Rs. 10/- each	(Rupees Sixteen Crores
12,00,000 (Twelve Lakhs) Class 'B' Preference Shares of Rs. 100/- each	Twenty-Seven Lakhs and Fifty Thousand)
<b><u>Issued, subscribed and paid up</u></b>	
22,53,087 equity shares of Rs. 10/- each.	INR 2,25,30,870/-

### 3. DATE OF TAKING EFFECT AND EFFECTIVE DATE

3.01 The Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 23 of the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

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## PART B

## AMALGAMATION OF TRANSFEROR COMPANY (INGENIOUS QUALITY BUILDING PRIVATE LIMITED) INTO TRANSFeree COMPANY (JANAADHAR (INDIA) PRIVATE LIMITED)

4. The Merger under this Scheme will be effected under the provisions of Sections 230 to 232 of the Act. The Merger complies with the provisions of section 2(1B) of the Income-tax Act, 1961 such that as on Effective Date:
- a) all the property/assets of the Transferor Company before the Merger becomes the property of Transferee Company by virtue of the Merger;
  - b) all the liabilities of Transferor Company before the Merger becomes the liabilities of Transferee Company by virtue of the Merger; and
  - c) shareholders in the Transferor Company become shareholders of the Transferee Company by virtue of the Merger as provided for in this Scheme in the manner set out herein.
5. TRANSFER OF ASSETS
- 5.01 Upon the coming into effect of this Scheme, pursuant to the sanction of this Scheme by the Tribunal and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, all assets of the Transferor Company Undertaking shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern 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.
- 5.02 The transfer and vesting as aforesaid shall be subject to the existing charges/hypothecation/mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company is a party wherein the assets of the Transferor Company have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Transferor Company and vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company.
- 5.03 Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further, or additional security thereof after the Merger has become effective or otherwise. The transfer/vesting of the assets of the Transferor Company as aforesaid shall be subject to the existing charges/hypothecation/mortgages over or in respect of the assets or any part thereof of the Transferor Company.



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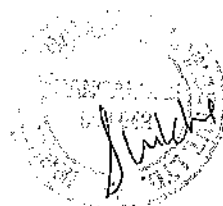


## 6. TRANSFER OF LIABILITIES

- 6.01 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, trade payables, duties and obligations of the Transferor Company shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to intimate or obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.
- 6.02 Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.
- 6.03 All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Company in the ordinary course of business after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon coming into effect of this Scheme and in terms of the provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

## 7. LEGAL PROCEEDINGS

- 7.01 All the legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising at or after the Appointed Date with respect to its properties, assets, debts, liabilities, duties and obligations, shall be continued and/or enforced (as applicable) until the Effective Date against the Transferor Company only. From the Effective Date such proceeding shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 7.02 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company after the Appointed Date.



*Parakh*  
*R. Anand*



## 8. APPOINTED DATE

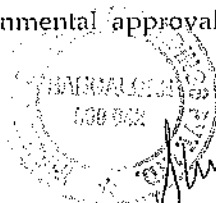
- 8.01 All debts, liabilities, contingent liabilities, duties and obligations of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relates to the period on or up to the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- 8.02 The Scheme does not cause any prejudice to the creditors of the Transferee Company. Further, the creditors of the Transferee Company are also in no way affected as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors and there is no significant reduction in the security, which the creditors may have in the Transferee Company. Further, the proposed Scheme would not in any way adversely affect the ordinary operations of the Transferee Company or the ability of the Transferee Company to honor its commitments or to pay its debts in the ordinary course of business.

## 9. TRANSFER OF EMPLOYEES

- 9.01 Upon the Scheme coming into effect, all employees of the Transferor Company as on such date shall become the employees of the Transferee Company, and, subject to the provisions hereof, on such terms and conditions as provided in the employment agreements to be executed with the Transferee Company, without any interruption of service as a result of the Merger.
- 9.02 Transferor Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past services with the Transferor Company shall also be taken into account.
- 9.03 Upon the Scheme coming into effect, the accounts of the employees, who are employed by the Transferor Company, relating to the provident fund, employee state insurance, gratuity fund and pension and/or superannuation fund and any other fund for the benefit of the employees of the Transferor Company, shall be identified, determined and transferred to the respective funds of the Transferee Company and the employees shall be deemed to have become members of such trusts/funds of the Transferee Company.

## 10. STATUTORY LICENSES, PERMISSIONS, APPROVALS

- 10.01 With effect from the Appointed Date and upon the Scheme becoming effective, all statutory licences, patents, permissions, approvals, copyrights, trademarks, authorisations or consents to carry on the operations and business of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, patents,



*Shri. Ravali*  
*R. H. K.*



authorisations, registrations or other licences and consents shall vest in and become available to the Transferee Company pursuant to this Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of by the Transferor Company, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

## 11. CONTRACTS, DEEDS, ETC.

11.01 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, memorandum of understandings, non-disclosure agreements, response to request for proposal or request for information, insurance, letters of intent, agreements, arrangements and other instruments, if any, of whatsoever nature relating to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and eventually as if, instead of the Transferor Company, the Transferee Company had been a party thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

11.02 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the Merger coming into effect on the Effective Date, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company in relation to the Transferor Company Undertaking shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to relevant Governmental Authority as may be necessary in this regard.

## 12. TAX

12.01 All taxes payable by the Transferor Company and the benefits available to the Transferor Company, upto the Appointed Date, including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the Transferee Company.



*Signature*  
B. Shetty



- 12.02 Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its income tax returns, carry forward losses from the Transferor Company and to claim refunds, advance tax and withholding tax credits, etc., pursuant to the provisions of this Scheme and the Income Tax Act, 1961 and any amendments thereto.
- 12.03 Upon the Scheme becoming effective, the Transferee Company is also expressly permitted to claim refunds/credits on account of income-tax, GST and other taxes in accordance with the rules prescribed in the relevant legislations.
- 12.04 Upon the Scheme becoming effective, any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses or taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, taxes withheld/paid in a foreign country, value added tax, sales tax, GST etc.) incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed of in any manner as it thinks fit.
- 12.05 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax Laws, including section 2(1B) and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferor Company and / or the Transferee Company, as the case may be, which power shall be exercised reasonably in the best interests of the companies concerned.

13. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE


13.01 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 been carrying on its business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- (b) The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior written consent of the Transferee Company, obtain any loans from third parties, alienate, charge, mortgage,



encumber or otherwise deal with or dispose of its undertaking or any part thereof nor shall it undertake any new business or a substantial expansion of its existing business.

- (c) Without prejudice to the generality of the sub clause (b) above, the Transferor Company shall not make any change in its capital structure, whether by way of increase (by issue of equity shares on a rights basis, bonus shares) decrease, reduction, reclassification, subdivision or consolidation, re-organisation, or in any other manner which may, in any way, affect the Share Exchange Ratio (as provided in Clause 16 below), except under any of the following circumstances:
- A. by mutual consent of the respective Board of Directors of the Transferee Company and of the Transferor Company; or
  - B. as may be expressly permitted under this Scheme.
- (d) All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company, with effect from the Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company.
- (e) All taxes (including income tax, sales tax, excise duty, customs duty, GST, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, GST, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of its business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- (f) Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Transferor Company Undertaking undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

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#### 14. INTER - SE TRANSACTIONS

Without prejudice to the provisions of Clauses 4, 5 and 6, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

#### 15. SAVING OF CONCLUDED TRANSACTIONS

- 15.01 The transfer and vesting of undertaking under Clause 5 and Clause 6 of this Scheme and the continuance of proceedings by or against the Transferor Company under Clause 7 of this Scheme shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

#### 16. CONSIDERATION

- 16.01 Upon the coming into effect of this Scheme and subject to and in consideration of the transfer and vesting of the Transferor Company Undertaking in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed issue and allot to each of the Transferor Company Members, namely Mr. Chander Dutta and Mr. Sandeep Bedi, whose name is registered in the register of members of the Transferor Company, on the Record Date shares in the Transferee Company as follows:

- (a) For a total of 5,000 (Five Thousand) equity shares having the face value of Rs.10/- each of the Transferor Company held by Mr. Sandeep Bedi, as on the Record Date, he shall be issued (i) 60,894 (Sixty Thousand Eight Hundred and Ninety-Four) Equity Shares; and (ii) 334,919 (Three Hundred and Thirty-Four Thousand Nine Hundred and Nineteen) Preference Shares. The Preference Shares will be issued to Mr. Sandeep Bedi on terms as provided in Annexure I.
- (b) For a total of 5,000 (Five Thousand) equity shares having the face value of Rs. 10/- each of the Transferor Company held by Mr. Chander Dutta, as on the Record Date, he shall be issued (i) 60,894 (Sixty Thousand Eight Hundred and Ninety Four) Equity Shares; and (ii) 334,919 (Three Hundred and Thirty Four Thousand Nine Hundred and Nineteen) Preference Shares. The Preference Shares will be issued to Mr. Chander Dutta on terms as provided in Annexure I.

- 16.02 Upon the Merger coming into effect on the Effective Date, the Consideration Shares of the Transferor Company to be issued and allotted to the members of the Transferor Company as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company.

- 16.03 No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the

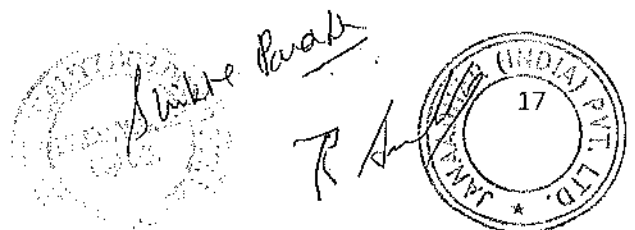


Transferor Company are entitled on the issue and allotment of Equity shares by the Transferee Company in accordance with this Scheme. If any members of the Transferor Company have a shareholding such that such members become entitled to a fraction of a Consideration Shares, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the Equity Shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to a nominee to be appointed by the Board of Directors of the Transferee Company, who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the nominee may in its sole discretion decide and on such sale pay to the Transferee Company, the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax and expenses, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

- 16.04 In the event of any reorganisation or restructuring of equity share capital of the Transferee Company by way of share split/ consolidation/ issue of bonus shares, free distribution of shares or instruments convertible into Equity Shares in relation to the share capital of the Transferee Company at any time before the Record Date, the number of Consideration Shares to be issued as set out above shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

#### 17. AUTHORIZED SHARE CAPITAL

- 17.01 Upon the Scheme becoming effective, the authorized share capital of Transferor Company shall stand combined with the authorized share capital of Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorized Share capital and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty for its increased authorized share capital. However, the Transferee Company shall file the requisite forms and fresh memorandum and articles of association with the Registrar of Companies.



- 17.02 Consequently, upon the Scheme becoming effective, the words and figures in clause V of the memorandum of association of the Transferee Company shall be substituted to read as follows:

The Authorized share Capital of the Company is:

Particulars	Amount (in INR)
Authorised	
36,15,000 Equity Shares of Rs. 10/- each	INR 16,28,50,000/-
6,70,000 Class 'A' Preference Shares of Rs. 10/- each	(Rupees Sixteen Crores
12,00,000 (Twelve Lakhs) Class 'B' Preference Shares of Rs. 100/- each	Twenty-Eight Lakhs and Fifty Thousand)


The approval of this Scheme by the shareholders of Transferor Company and the Transferee Company under sections 230 to 232 of the Act, whether at a meeting or otherwise, shall be deemed to have the approval under Sections 13, 14, 61, 64 and other applicable provisions of the Act and any other consents and approvals required in this regard. Further, the Transferee Company shall file the amended copy of its memorandum and articles of association and requisite documents for amendment of memorandum and articles of association with the Registrar of Companies and the Registrar of Companies shall take the same on record.

- 17.03 Upon this Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of the Consideration Shares in accordance with Clause 16 above. It is clarified that no special resolution under Section 62(1)(c) or 62(1)(b) or 42 of the Act shall be required to be passed by the Transferee Company separately in a general meeting or offers under Section 62(1)(a) be made separately for issue of the Consideration Shares to the members of the Transferor Company under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of the Consideration Shares of the Transferee Company to the members of the Transferor Company in accordance with Clause 16 above.

## 18. ACCOUNTING TREATMENT

- 18.01 Recognising that the Merger is to be considered as an "amalgamation in nature of merger" as defined by paragraph 29 of the Accounting Standard on "Accounting for Amalgamations" issued by the National Advisory Committee on Accounting Standards, ("AS-14"), the accounting treatment in respect of assets, liabilities and reserves of the Transferor Company shall be governed, subject to the provisions of this paragraph, in accordance with what is described in AS-14 as "the Pooling of Interests Method". Accordingly, all the assets and liabilities of the Transferor Company

*Shri Parakh*  
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shall be recorded at their respective book values in the books of the Transferee Company.

- 18.02 As on the Appointed Date, the reserves, surplus and balance in profit & loss account of the Transferor Company will be merged with the respective reserves, surplus and balance in profit & loss account of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.
- 18.03 The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the Transferor Company shall be adjusted in reserves.
- 18.04 If, at the time of the Merger, the Transferor Company and the Transferee Company have conflicting accounting policies, a uniform set of accounting policies should be adopted following the Merger. The effects on the financial statements of any changes in accounting policies should be reported in accordance with Accounting Standard (AS) 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'.

19. DIVIDENDS/BONUS ISSUANCE

- 19.01 The shareholders of the Transferor Company and the Transferee Company 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.
- 19.02 For avoidance of doubt, nothing in this Scheme shall prevent Transferee Company from declaring and paying dividends, whether interim or final, or issuing any bonus shares to its shareholders as on a Record Date and the equity shareholders of the Transferor Company shall not be entitled to dividends or bonus shares, if any, declared or issued by Transferee Company prior to the Effective Date.

20. DISSOLUTION OF THE TRANSFEROR COMPANY

- 20.01 Upon the Scheme becoming effective the Transferor Company shall stand dissolved without being wound up and the Board of Directors and any committees thereof of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.

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## PART - C

## GENERAL TERMS AND CONDITIONS

21. VALIDITY OF EXISTING RESOLUTIONS, ETC

- 21.01 Upon coming into effect of this Scheme, the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions impose upper monetary or other limits under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

22. APPLICATION TO THE TRIBUNAL OR SUCH OTHER COMPETENT AUTHORITY

- 22.01 The registered offices of both the Transferor Company and the Transferee Company are located in the Bangalore, Karnataka. The Transferor Company and the Transferee Company shall with all reasonable diligence make and pursue applications to the Tribunal or such other authority having jurisdiction under Law, under Sections 230 to 232 of the Act for sanction and carrying out of the Scheme and for dissolution of the Transferor Company without winding up.

23. MODIFICATION / AMENDMENT TO THE SCHEME

- 23.01 The Transferor Company and the Transferee Company, through their respective Board of Directors and subject to the terms of their respective articles of association, may make or consent to, on behalf of all persons concerned, any modifications or amendments to the Scheme or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. Such amendments shall be binding on all the shareholders of each of the Transferor Company and the Transferee Company.
- 23.02 For the purpose of giving effect to this Scheme or to any modification thereof, the directors of the Transferee Company may give and are authorised to give such directions including directions for settling any question of doubt or difficulty that may arise.

24. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

- 24.01 The Scheme is conditional upon and subject to the following:

- (a) The requisite consent, approval or permission of the central government or any other statutory or regulatory authority, which by Law, may be necessary for the implementation of this Scheme;



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- (b) Approval by the requisite majority of the members and creditors of Transferor and Transferee as may be required under applicable Law;

The certified copies of the order of the Tribunal sanctioning the Scheme or of such other authority having jurisdiction under Law being filed with the Registrar of Companies, Bangalore.

25. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 25.01 In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/or the Scheme not being sanctioned by the Tribunal or such other competent authority and/or the order or orders not being passed as aforesaid by 11<sup>th</sup> December, 2020 (or such extended time as may be mutually agreed between the Transferor Members and the Transferee Company), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in Law. Each party shall bear and pay its respective costs, charges and expenses for or in connection with the Scheme.

26. COSTS, CHARGES AND EXPENSES

- 26.01 The legal costs associated with the Merger including stamp duty, court fees and any other cost shall be borne by Transferee Company based on advice secured by it in this regard from its advisors.
- 26.02 The Transferor Members shall bear their respective direct taxes relating to the issue of the Consideration Shares that are to be issued to them pursuant to this Scheme.
- 26.03 The Transferor Company and Transferee Company shall bear their respective direct consultancy/legal fees in connection with the drafting, negotiation and finalisation of the Scheme.

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## Annexure I

## Terms of the Preference Shares

The Series A CCPS shall be issued with the following characteristics and rights vested in the holder of the Series A CCPS:

1. **Equity Shares.** The number of Equity Shares to be issued to the holders of the Series A CCPS upon conversion shall, subject to the other terms and conditions set forth herein, be as set out in Section 3 below.
2. **Dividends.** The Series A CCPS shall carry a pre-determined non-cumulative dividend rate of 0.0001% (zero point zero zero zero one per cent) per annum. This dividend shall be payable, subject to cash flow solvency, in the event the Board of Directors declare any dividend for the relevant year and the same shall be paid in priority to other Equity Shares. Additionally, holders of Series A CCPS shall be entitled to participate in the dividends declared and distributed to equity shareholders of the Transferee Company. Such participatory dividend shall be payable on an As If Converted Basis on such Series A CCPS which are eligible to be converted based on the Earned Percentage prevailing as on the date of declaration of dividend as per Section 3 below. It is clarified that the holders of Series A CCPS shall not have any participatory dividend rights with respect to the Series A CCPS, which on the date of declaration of dividend have not become eligible to be converted as per Section 3 below.
3. **Conversion.**
  - (a) Each Series A CCPS shall convert into 1 (one) Equity Share on the terms set out herein in this Annexure I, if during the Target Period, the Transferee Company and Transferor Company together realise from the Precast Business:
    - (i) Gross Revenue of at least INR 200,00,00,000/- (Indian two hundred crores only); and
    - (ii) PBT of at least INR 40,00,00,000/- (Indian forty crores only).
  - (b) If, at the expiry of the Target Period or on an earlier date, the Transferee Company and the Transferor Company have realised the Gross Revenue and PBT specified in sub-clause (a) from the Precast Business, the holders of Series A CCPS shall be entitled to convert the Series A CCPS into such number of Equity Shares, at the ratio of 1:1, as would enable them to collectively hold 22% (twenty two percent) of the fully diluted paid up equity share capital of the Transferee Company as on December 10, 2018 ("Execution Date Equity Capital"), as per the valuation of the Transferee Company in the valuation report submitted by a registered valuer in accordance with Clause 2.1.2 of the Framework Agreement. It is clarified that:
    - (i) If, at the end of the Target Period or on an earlier date, the Transferee Company and the Transferor Company have realised only the Gross Revenue specified in Section 3 sub-clause



*Shankar Parashar*  
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- (a) (i) above (in whole or in part) then, in addition to Equity Shares to be issued upon conversion of the Series A CCPS for achieving any part of the PBT target, the holders of Series A CCPS shall be entitled to convert such number of Series A CCPS into such number of Equity Shares, at the ratio of 1:1, as would enable them to collectively hold not more than 11% (eleven percent) of the Execution Date Equity Capital.
- (ii) If, at the end of the Target Period, the Transferee Company and Transferor Company have realised only the PBT (in whole or in part) specified in Section 3(a)(ii) or at an earlier date, the Transferee Company and the Transferor Company have realised only the PBT specified in Section 3(a)(ii) (in whole or in part) then, in addition to Equity Shares to be issued upon conversion of the Series A CCPS for achieving any part of the Gross Revenue target, the holders of Series A CCPS shall be entitled to convert such number of Series A CCPS into such number of Equity Shares, at the ratio of 1:1, as would enable them to collectively hold not more than 11% (eleven percent) of the Execution Date Equity Capital.
- (iii) The number of Series A CCPS that may be converted at any given point and the timing of such conversion and other terms relating to the conversion shall be as provided in this Section 3.
- (c) At the end of each Subject Year, depending on the Gross Revenue earned in such Subject Year, the holders shall acquire a right to convert such number of Series A CCPS (at the ratio of 1:1) as would enable them to collectively hold the Earned Percentage (corresponding to the Gross Revenue as per the formula set out in sub clause (e)(A) below) of the Execution Date Equity Capital. At the end of the Target Period or earlier when the cumulative PBT target of Rs. 40,00,00,000/- (Rupees Forty Crores) is achieved, depending on the Profit Before Tax earned or losses incurred during the Target Period, the holders of Series A CCPS shall acquire a right to convert such number of Series A CCPS (at the ratio of 1:1) as would enable them to collectively hold the Earned Percentage (corresponding to the PBT as per the formula set out in sub clause (e)(B) below) of the Execution Date Equity Capital.
- (d) The "Earned Percentage" for any Subject Year shall be calculated by applying the following formula, upon finalisation of audited accounts of the Transferee Company and Transferor Company for such Subject Year:
- Earned Percentage in Subject Year "x" = Higher of (A) Cumulative Conversion in Year "x" less Cumulative Conversions up to Year "x - 1", and (B) "0".
- (e) In formula mentioned in (d) above,

*Shri. S. S. S. S. S.*  
*R. S. S. S. S.*  
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 JAMNADHAR INDIA PVT. LTD.

Cumulative Conversion up to Subject Year "x" = Lower of (i) {(Cumulative Earned Percentage for Revenue Target up to "x" plus Cumulative Earned Percentage for PBT target up to "x"), and (ii) 22%, wherein

(A) Cumulative Earned Percentage for Revenue Target up to Subject Year "x" =

Maximum ["0" or {(minimum of (Cumulative Revenue in year "x" or 200cr)) ÷ 200cr) \* 11% - Cumulative conversion up to Year "x-1"}]

(B) Cumulative Earned % for PBT target up to year "4" = Maximum ["0" or {(minimum of (Cumulative PBT in year "4" or 40cr)) ÷ 40cr) \* 11%}]

The Earned Percentage corresponding to the Gross Revenue at any given point shall be calculated as per the formula set out in sub clause (A) above. The Earned Percentage corresponding to the PBT at any given point shall be calculated as per the formula set out in set out in sub clause (B) above. It is clarified that the Cumulative Earned Percentage for the PBT target shall be taken as '0' (zero) for all Subject Years except the Subject Year in which the cumulative PBT target of Rs. 40,00,00,000/- (Rupees Forty Crores) is achieved.

(f) Notwithstanding anything contained in this Agreement, the Series A CCPS in aggregate shall not in any circumstance convert to more than 22% (twenty two percent) of the Execution Date Equity Capital.

(g) For the purposes of this Annexure I,

(i) "As If Converted Basis" means a calculation assuming that all Dilution Instruments existing at the time of determination have been exercised or converted into Equity Shares, excluding any options issued or reserved for issuance under any stock option plan or scheme by whatever name called;

(ii) "Consultancy Agreement" means the consultancy agreement dated December 10, 2018 entered into between the Company and Mr. Chander Dutta;

(iii) "Dilution Instruments" includes shares, securities, rights, options, warrants or arrangement (whether oral or in writing) which are convertible into or entitle the holder to acquire or receive any shares of the Transferee Company, or any rights to purchase or subscribe to shares or securities by their terms convertible into or exchangeable for shares; excluding any arrangement (whether oral or in writing) binding the Transferee Company pursuant to which a bank or a financial institution is entitled to convert any amount due to it into shares upon






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default by the Transferee Company, and assuming that such default has not occurred as of the relevant date of determination;

- (iv) "Employment Agreement" means the employment agreement dated December 10, 2018 entered into between the Company and Mr. Sandeep Bedi;
- (v) "Framework Agreement" means the agreement entered into between the Transferee Company, Transferor Company, shareholders of the Transferor Company and Jana Urban Foundation on December 10, 2018 pursuant to which it was agreed between the parties therein to merge the Transferor Company with the Transferee Company;
- (vi) "Gross Revenue" shall for any given period mean the sum / total of all money generated by the Precast Business during such period, without taking into account any expenses or costs and reflected in the audited accounts of the Transferee Company and Transferor Company, as the case maybe. Provided however, even if the Gross Revenue realised during the Target Period is more than INR 200,00,00,000/- (Indian Rupees two hundred crores only), for the purposes of calculating the Earned Percentage, the Gross Revenue realised shall be presumed to be INR 200,00,00,000/- (Indian Rupees two hundred crores only);
- (vii) "Precast Business" means the business of providing construction solution using precast technology and other innovative construction technology to entities operating in the real estate and infrastructure sector. It is hereby clarified that Precast Business excludes the following (i) all Precast Business done by the Transferee Company which is executed by Transferor Company for the Transferee Company, (ii) the business of development of affordable housing projects across several cities in India undertaken by the Transferee Company;
- (viii) "Profit Before Tax" or "PBT" for any given period means the profits that the Transferee Company and the Transferor Company have realized during such Subject Year from the Precast Business after paying off all expenses and costs attributable to and incurred in relation to the Precast Business during such period (including without limitation interest costs and operating costs of the Precast Business and salaries (and other remuneration or payments) paid to Mr. Sandeep Bedi and Mr. Chander Dutta as per the Employment Agreement and Consultancy Agreement) but before payment of income taxes on such profits attributable to the Precast Business and as reflected in the audited accounts of the Transferee Company and Transferor Company, as the case maybe. Provided however, even if the PBT realised during the Target Period is more than INR 40,00,00,000/- (Indian Rupees forty crores only), for the purposes of calculating the Earned Percentage, the PBT realised shall be presumed to be INR 40,00,00,000/- (Indian Rupees forty crores only);
- (ix) "Subject Year" shall mean any of the following periods: (aa) Execution Date to November 30,

*Signature Sandeep Bedi*  
*R. T.*  


2019, (bb) December 1, 2019 to November 30, 2020, (cc) December 1, 2020 to November 30, 2021, (dd) December 1, 2021 to November 30, 2022;

- (x) "Target Period" means a period commencing with the date of the Framework Agreement and ending with the expiry of the last of the Subject Years.

(h) Illustration No. 1:

Year	Gross Revenue	Cumulative Gross Revenue	PBT	Cumulative PBT	Earned % for Revenue target (Y-o-Y)	Earned % for PBT target (cumulative)
1	25	25	5	5	1.38%	0.00%
2	50	75	8	13	2.75%	0.00%
3	50	125	12	25	2.75%	0.00%
4	75	200	15	40	4.13%	11.00%
Total	200		40		11.00%	11.00%

(i) Illustration No. 2:

Year	Gross Revenue	Cumulative Gross Revenue	PBT	Cumulative PBT	Earned % for Revenue target (Y-o-Y)	Earned % for PBT target (cumulative)
1	25	25	-5	-5	1.38%	0.00%
2	50	75	-8	-13	2.75%	0.00%
3	50	125	20	7	2.75%	0.00%
4	75	200	25	32	4.13%	8.80%
Total	200		32		11.00%	8.80%

(j) Illustration No. 3:

Year	Gross Revenue	Cumulative Gross Revenue	PBT	Cumulative PBT	Earned % for Revenue target (Y-o-Y)	Earned % for PBT target (cumulative)
1	25	25	-5	-5	1.38%	0.00%
2	50	75	-8	-13	2.75%	0.00%
3	50	125	-12	-25	2.75%	0.00%
4	75	200	-15	-40	4.13%	0.00%
Total	200		-40		11.00%	0.00%

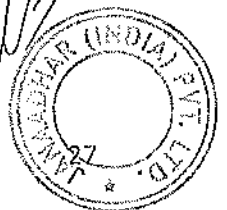
- (k) The holders of CCPS shall be entitled to call upon the Transferee Company to convert the relevant number of Series A CCPS subject to the terms of Section 3 ("Convertible CCPS") at any time after the audited accounts for the relevant Subject Year or the Target Period, as the case may be, are finalised by issuing a notice to Transferee Company accompanied by share certificates representing the Convertible CCPS ("Conversion Notice") sought to be converted. Immediately and no later than 30 (thirty) days from the receipt of the Conversion Notice, the Transferee Company shall issue the relevant number of Equity Shares in respect of the Convertible CCPS. The number of Equity Shares to be issued shall be determined in accordance with Section 3. The record date of conversion of the Convertible CCPS shall be deemed to be the date on which the holder of such Convertible CCPS issues the Conversion Notice.

- (l) At the end of the Target Period, after conversion of the Series A CCPS into the Equity Shares based on the Earned Percentage, if there are any Series A CCPS which remain unconverted at such point, such unconverted Series A CCPS shall automatically convert into a single Equity Share.
- (m) No fractional Shares shall be issued upon conversion of Series A CCPS, and the number of Equity Shares to be issued shall be rounded up to the nearest whole number.

4. **Adjustments.**

- (a) If, whilst any Series A CCPS remain capable of being converted into Equity Shares, the Transferee Company splits, sub-divides (stock split) or consolidates (reverse stock split) the Equity Shares into a different number of securities of the same class, the number of Equity Shares issuable upon a conversion of the Series A CCPS shall, subject to applicable Laws and receipt of requisite approvals, be proportionately increased in the case of a split or sub-division (stock split), and likewise, the number of Equity Shares issuable upon a conversion of the Series A CCPS shall be proportionately decreased in the case of a consolidation (reverse stock split).
- (b) If the Transferee Company, by re-classification or conversion of shares or otherwise, changes any of the Equity Shares into the same or a different number of shares of any other class or classes, the right to convert the Series A CCPS into Equity Shares shall thereafter represent the right to acquire such number and kind of shares as would have been issuable as the result of such change with respect to the Equity Shares that were subject to the conversion rights of the holder of Series A CCPS immediately prior to the record date of such re-classification or conversion.

5. **Meeting and voting rights.** The holders of Series A CCPS shall, subject to applicable Laws, be entitled to attend meetings of shareholders of the Transferee Company and, will be entitled to voting rights on an As If Converted Basis on such Series A CCPS which are eligible to be converted (based on the Earned Percentage) as set out in Section 3 above. It is clarified that the holders of Series A CCPS shall not have any voting rights on the Series A CCPS which on the relevant date have not become eligible to be converted (based on the Earned Percentage) as per the terms of Section 3 above.





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CA SRIKANT KUMAR T. R.  
Chartered Accountant

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Bengaluru - 560 070  
Email : casrikantkumar@gmail.com  
Mob. : 99456 45336

**TO WHOMSOEVER IT MAY CONCERN**

We have gone through the Books of accounts and records of **INGENIOUS QUALITY BUILDINGS PRIVATE LIMITED**, a company registered under the companies Act, 2013, having its registered office at No. 4/1 TO 4/6, Meaneer Avenue Road, Oldtank Road, Ulsoor Bangalore- 560052 [CIN NO U45309KA2017PTC120527] and certify the followings;

The Company pursuant to the provisions of section 230 to 232 and other applicable provisions, if any, of the companies Act, 2013 and subject to the requisite approvals, sanctions and permissions of the NCLT at Bangalore and subject to the approval of such authorities, as may be necessary in this regard, the approval of the members and creditors has been taken for the scheme of merger of M/s Janaadhar (India) Private Limited with M/s Ingenious Quality Buildings Private Limited.

With reference to the aforementioned scheme of merger, and at the request of Ingenious Quality Buildings Private Limited, this certificate is being issued to certify the list of shareholders and creditors of the company as on 31<sup>st</sup> December 2018.

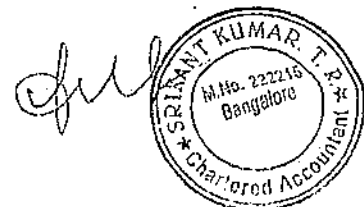
We have examined the unaudited provisional financial statement, books of accounts as at 31<sup>st</sup> December 2018 and other documents / Information and explanations provided to us by the management of **INGENIOUS QUALITY BUILDINGS PRIVATE LIMITED** with a view to ascertain the details as required above.

**1. List of shareholders**

On the basis of such verification, information and explanation provided to us, we certify that the company has the following shareholders as on 31<sup>st</sup> December 2018.

Sl. No.	Name of the Shareholder	No. of Shares	Face Value	Value of Shares	Percentage
1	Sandeep Bedi	5,000	10	50,000	50%
2	Chander Dutta	5,000	10	50,000	50%
	<b>Total</b>	<b>10,000</b>		<b>1,00,000</b>	<b>100%</b>

Pursuant to the scheme of merger we hereby confirm that the Company has issued only one class of equity shares with voting rights having par value of Rs. 10 each. The rights, preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 2013 (the Act), and the Articles of Association of the Company.





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CA SRIKANT KUMAR T. R.  
Chartered Accountant

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Email : casrikantkumar@gmail.com  
Mob. : 99456 45336

## 2. List of secured creditors

On the basis of such verification, information and explanation provided to us, we certify that the company has NIL secured creditor as on 31<sup>st</sup> December 2018.

## 3. List of unsecured creditors

On the basis of such verification, information and explanation provided to us, we certify that the company has the following unsecured creditor as on 31<sup>st</sup> December 2018.

Sl.No	Name of the unsecured creditors	Amount in Rs	% of total liabilities
1	M/s. BE Billimoria & Co. Ltd.	62,71,186	56.25%
2	Mr. Sandeep Bedi	16,05,000	14.40%
3	Janaadhar India Pvt. Ltd.	15,00,000	13.45%
4	Mr. Chander Dutta	13,73,399	12.32%
5	M/s. BK Engineering	3,58,986	3.22%
6	Mr. Tari Anwar	21,061	0.19%
7	M/s. Resolve Biz Services and Apps Pvt Ltd	11,045	0.10%
8	M/s. Shinde Patil Associates	8,250	0.07%
	<b>Total</b>	<b>1,11,48,927</b>	<b>100.00%</b>

The above unsecured creditors are being identified on the basis of amount outstanding as on the date.

This certification is being issued upon the request of the above-named Company for the purpose of identifying members and creditors for the purpose of the approval of the Merger Scheme and disclosing the basis on which the classes of members/shareholders and creditors of the companies have been identified.



Date : 07/01/2019

Place : Bangalore

SRIKANT KUMAR T R

CHARTERED ACCOUNTANT

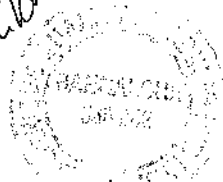
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# ANNEXURE- D

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INGENIOUS QUALITY BUILDINGS PRIVATE LIMITED			
Provisional Balance Sheet as at 31st December, 2018			
	Note No.	31st December, 18 Amount (Rs.)	31st March, 18 Amount (Rs.)
<b>EQUITY AND LIABILITIES</b>			
<b>Share holder's Funds</b>			
(a) Share Capital	3	1,00,000	1,00,000
(b) Reserves & Surplus	4	(1,00,52,188)	(21,58,722)
<b>Non Current Liabilities</b>			
(a) Long Term Borrowing	5	28,73,399	20,28,399
<b>Current Liabilities</b>			
(a) Other Current Liabilities	6	98,43,347	3,75,608
<b>Total</b>		<b>27,64,557</b>	<b>3,45,285</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<u>Fixed Assets</u>			
(a) Tangible Assets		99,808	47,172
(b) Deferred Tax Liability	7	1,349	616
<b>Current Assets</b>			
(a) Cash & Cash Equivalents	8	18,66,080	2,23,424
(b) Long term loans and advances	9	7,97,320	74,073
<b>Total</b>		<b>27,64,557</b>	<b>3,45,285</b>

*Shilpa Kulkarni*



INGENIOUS QUALITY BUILDINGS PRIVATE LIMITED			
Provisional Statement of Profit & Loss for 9 months ending 31st December, 2018			
	Note No.	31st December, 18 Amount (Rs.)	31st March, 18 Amount (Rs.)
		(01.04.18 to 31.12.18)	(21.11.17 to 31.03.18)
Revenue from Operations		-	-
Other Income		5,33,359	-
Total Revenue		5,33,359	-
<u>Expenses:</u>			
Depreciation		7,194	663
Employee Benefit Expenses	10	57,09,498	12,55,472
Other Expenses	11	27,10,866	9,03,203
Total		84,27,558	21,59,338
Profit before tax		(78,94,199)	(21,59,338)
<u>Tax Expenses</u>			
Current Tax		-	-
Deferred Tax		(733)	(616)
Profit / (Loss) for the period		(78,93,466)	(21,58,722)
Balance Carried To Balance Sheet		(78,93,466)	(21,58,722)

*Shikha Prakash*

INGENIOUS QUALITY BUILDINGS PRIVATE LIMITED  
BANGALORE  
500001

## 3 SHARE CAPITAL

1. Reconciliation of Share Capital as on 31st March, 2018

<u>Particulars</u>	<u>Opening</u>	<u>Additions</u>	<u>Reductions</u>
(a) Authorised Share Capital 10,000 shares of Rs. 10 each	-	1,00,000	-
(b) Issued, Subscribed & Called up Share Capital 10,000 shares of Rs. 10 each	-	1,00,000	-
(c) Paid up Share Capital 10,000 shares Fully Paid Up Rs. 10/- each	-	1,00,000	-
	-	1,00,000	-

II. Statement showing share holding of more than 5%:

31st March, 2018

<u>Class of shares / Name of shareholder</u>	<u>Number of shares</u>
Sandeep Bedi	5,000
Chander Dutta	5,000
Total	10,000

## 4 RESERVES AND SURPLUS

1. Reconciliation of Reserves and Surplus as on 31st March, 2018

<u>Particulars</u>	<u>31st December, 18</u> <u>Amount (Rs.)</u>	<u>31st March, 18</u> <u>Amount (Rs.)</u>
(A) Surplus		
Opening Balance	(21,58,722)	-
Add : Profit / (Loss) for the year	(78,93,466)	(21,58,722)
Closing Balance	(1,00,52,188)	(21,58,722)

## 5 LONG TERM BORROWINGS

Unsecured LoanAdvance from Directors

Chander Dutta	13,73,399	5,23,399
Sandeep Bedi		15,05,000
ICD- Jananadhar India Pvt. Ltd.	15,00,000	
Total	28,73,399	20,28,399

*Shikha Parakh*

CHANDER DUTTA  
DIRECTOR

SHIKHA PARAKH  
DIRECTOR



**6 OTHER CURRENT LIABILITIES**

Salary Payable account	10,47,155	2,28,645
EPF Expenses Payable		754
EPF Contribution - Employee	64,178	8,314
EPF Contribution - Employer		8,314
ESI Contribution - Employer		1,341
ESI Contribution - Employee	8,137	494
Mobilization Advance	62,71,186	
Labour Welfare Fund Account	624	
Mr. Sandeep Bedi-Travel Account	3,31,066	
Professional Tax Account	8,800	
Stipend - Payable Account	59,271	
Tax Deducted At Source Account	41,805	
Tarik Anwar-Steel fixer	21,061	
R K Kashyap	6,782	4,382
Ashlin Travels Pvt. Ltd	-	20,386
Sandeep Bedi	16,05,000	
M/s. BK Engineering	3,58,986	
M/s. Shinde Patil Associates	8,250	
New Airways Travels Delhi Pvt. Ltd		45,898
Resolve Biz Services and Apps Pvt Ltd	11,045	7,080
Auditor's Remuneration		50,000
<b>Total</b>	<b>98,43,347</b>	<b>3,75,608</b>

Amount (Rs.)                      Amount (Rs.)

**7 DEFERRED TAX ASSETS (NET)**

Opening Balance of Timing Difference	616	-
<u>Add: Creation of Timing Difference</u>		
(a) On Current year losses	-	2,392
Closing Balance of Timing Difference	616	2,392
Deferred Tax Assets @ 26% to be shown in Balance Sheet	1,349	616
DTA to be transferred to P & L	733	616

**8 CASH & CASH EQUIVALENTS**

Bank - Axis Bank	18,62,102	2,18,536
Cash In Hand	3,978	4,888
<b>Total</b>	<b>18,66,080</b>	<b>2,23,424</b>

**9 SHORT TERM LOANS AND ADVANCES**

Gaurav Chanola		2,951
P S Waghare - Advocate	1,093	9,000
Shrikant Luktuke		12,122
Security Deposit Rent	75,000	50,000
Staff advance-Dinesh Vithalrao	22,000	
IGST-receivable from Govt.	3,06,023	
Chetan Mogli Imprest	20,003	
TDS/ Advance tax	9,145	
M D Raja-Labour contractor	2,000	
GST debit balances	29,274	
Eleumatic India Pvt. Ltd.	1,74,682	
Mess Advance	28,000	
Khairul Sekh Consultancy	10,000	
Laxmi Alure Consultancy	14,000	
M/s MK Enterprises-Steel Fixer	93,600	
M/s Taiyab Ali Consultants	12,500	
<b>Total</b>	<b>7,97,320</b>	<b>74,073</b>

*Shrikant Luktuke*

QUALITY  
HANG  
5000

**10 EMPLOYEE BENEFITS**

Salaries-Staff	50,02,959	11,84,098
Stipends	1,96,559	
Staff Welfare Expenses	2,50,080	11,596
Staff-Uniform	3,120	40,561
Employee Admin. Exp.	13,578	754
Employee Provident Fund exp.	2,07,135	16,628
ESI Expenses	36,067	1,835
Total	57,09,498	12,55,472

**11 OTHER EXPENSES**

Bank Charges	755	230
Conveyance	28,374	8,374
Electricity and Water	27,116	1,200
Professional Fees	2,02,480	35,240
Medical Reimbursement Expenses	5,152	3,797
Office and Guest house exp.	1,260	34,460
Postage and Courier	1,700	240
Pre Incorporation & Preliminary exp.		3,47,611
Printing and Stationary	21,534	6,496
Tools and Saffey Equipments	2,87,429	41,648
Misc. General Exp.	75,246	24,261
Rent Rates Taxes	1,63,200	90,000
Repair and Maintainence	8,61,767	48,575
Travelling and Conveyance	7,92,994	2,11,071
Auditors Remuneration		50,000
Telephone,Mail & Mobile Exps: A/c	16,800	
ROC-Filing Fees	3,300	
Steel Fixing Expenses Account	28,850	
Late GST Filing Fees	9,380	
Advertiesment & Publicity	22,090	
Consultancy Service Charges	94,231	
Custom Charges	21,822	
Insurance Expenses Account	45,170	
Labour Welfare Fund Expenses	216	
Total	27,10,866	9,03,203

*Shikha Singh*

SHIKHA SINGH

SHIKHA SINGH

# ANNEXURE-

V

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JANAADHAR (INDIA) PRIVATE LIMITED

CIN - U45201KA2007PTC044522

"Pranava Lake View", No. 4, 1st Floor, Meanee Avenue Road,  
Old Tank Road, Ulsoor, Bangalore - 560 042

## PROVISIONAL BALANCE SHEET

as at December 31, 2018

₹ in Lakhs

Particulars	Note No.	As at December 31, 2018	As at March 31, 2018
<b>A EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
(a) Share capital	3	225.31	225.31
(b) Reserves and surplus	4	2,211.01	2,578.88
		2,436.32	2,804.19
2 Non-current liabilities			
(a) Long-term borrowings	5	1,500.00	1,500.00
(b) Long-term provisions	6	35.02	35.02
		1,535.02	1,535.02
3 Current Liabilities			
(a) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		109.22	244.04
(b) Other current liabilities	7	1,190.09	1,285.71
(c) Short-term provisions	8	17.81	13.53
		1,317.12	1,543.28
<b>TOTAL</b>		<b>5,288.46</b>	<b>5,882.49</b>
<b>B ASSETS</b>			
1 Non-current assets			
(a) Fixed assets	9		
(i) Property, plant and equipment		79.66	23.60
(ii) Intangible assets		2.47	1.21
		82.13	24.81
(b) Long-term loans and advances	10	139.62	148.57
		221.74	173.38
2 Current assets			
(a) Current investments	11	25.00	-
(b) Inventories	12	2,057.90	2,132.76
(c) Trade receivables	13	621.97	868.87
(d) Cash and bank balances	14	1,687.19	1,897.59
(e) Short-term loans and advances	15	548.23	150.68
(f) Other current assets	16	126.42	659.21
		5,066.70	5,709.11
<b>TOTAL</b>		<b>5,288.46</b>	<b>5,882.49</b>

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of the Board of Directors

S. Ganesh  
Partner

Ramesh Ramanathan  
Director

R Srinivasan  
Director

Arvind Bhatnagar  
President & Chief Operating Officer

Place: Bengaluru

Date:

Place: Bengaluru

Date:



*R. Srinivasan*

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## JANAADHAR (INDIA) PRIVATE LIMITED

CIN - U45201KA2007PTC044522

"Pranava Lake View", No. 4, 1st Floor, Meanee Avenue Road,  
Old Tank Road, Ulsoor, Bangalore - 560 042

PROVISIONAL STATEMENT OF PROFIT AND LOSS  
for the period ended December 31, 2018

₹ in Lakhs

Particulars	Note No.	Period ended December 31,	Year ended March 31, 2018
1 Revenue from operations	17	1,996.92	5,691.98
2 Other income	18	86.29	56.79
3 Total revenue (1 + 2)		2,083.21	5,748.77
4 Expenses:			
(a) Cost of sale on projects (net)	19	1,491.19	4,240.90
(b) Employee benefits expense	20	300.24	562.54
(c) Finance costs	21	183.72	74.92
(d) Depreciation expense	9	14.11	13.13
(e) Other expenses	22	401.93	706.41
Total expenses		2,391.18	5,597.90
5 Profit / (Loss) before tax (3 - 4)		(307.97)	150.87
6 Tax expense			
Current tax		-	15.02
Short / (excess) provision for tax related to prior years		-	-
MAT credit entitlement		-	(15.02)
Deferred tax	27	-	-
7 Profit / (Loss) for the year (5-6)		(307.97)	150.87
8 Earnings per Share of ₹ 10 each Basic/Diluted		(13.67)	6.70

See accompanying notes to the financial statements

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

S. Ganesh  
Partner

Ramesh Ramanathan  
Director

R Srinivasan  
Director

Place: Bengaluru  
Date:

Arvind Bhatnagar  
President & Chief Operating Officer

Place: Bengaluru  
Date:



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JANAADHAR (INDIA) PRIVATE LIMITED  
CIN - U45201KA2007PTC044522

**PROVISIONAL CASH FLOW STATEMENT**  
for the year ended December 31, 2018

₹ in Lakhs

	Particulars	Period ended December 31, 2018	Year ended March 31, 2018
A.	<b>Cash flow from operating activities</b>		
	Net Profit/(Loss) before tax	(307.97)	150.87
	<b>Add: Adjustments for:</b>		
	Amortization of prepaids	19.35	35.21
	Depreciation and amortization expense	14.11	13.13
		<b>33.46</b>	<b>48.34</b>
	<b>Add: Expenses / debits considered separately</b>		
	Interest expenditure	183.72	74.92
	Interest cost capitalized	0.73	133.89
		<b>184.45</b>	<b>208.81</b>
	<b>Less: Incomes / credits considered separately</b>		
	Utilization of grant	(59.90)	(160.13)
	Interest income	(77.84)	(53.51)
		<b>(137.75)</b>	<b>(213.64)</b>
	<b>Operating Profit / (Loss) before working capital changes</b>	<b>(227.81)</b>	<b>194.38</b>
	<b>Adjustments for:</b>		
	(Increase) / Decrease in inventories	74.86	999.41
	(Increase) / Decrease in trade receivables	246.89	(382.64)
	(Increase) / Decrease other current assets	554.06	(347.54)
	(Increase) / Decrease in short term loans and advances	(419.34)	92.64
	(Increase) / Decrease in long term loans and advances	8.95	(33.99)
	Increase / (Decrease) in trade payables, other current liabilities and provisions	(179.52)	201.55
	<b>Net change in working capital</b>	<b>285.90</b>	<b>529.43</b>
	<b>Cash generated from operations</b>	<b>58.09</b>	<b>723.81</b>
	Net income tax paid / (Refund)	2.44	(11.97)
	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>60.53</b>	<b>711.84</b>
B.	<b>Cash flow from investing activities</b>		
	Bank balances not considered as Cash and cash equivalents -		
	Maturity of fixed deposits	-	66.72
	Investment in mutual funds	(25.00)	-
	Creation of Fixed Deposits	(269.06)	-
	Capital expenditure on fixed assets	(72.64)	(5.81)
	Proceeds from sale of fixed assets	1.21	-
	Interest received	56.58	72.58
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(308.91)</b>	<b>133.49</b>

Continued...




JANAADHAR (INDIA) PRIVATE LIMITED  
CIN - U45201KA2007PTC044522

**PROVISIONAL CASH FLOW STATEMENT**  
for the year ended December 31, 2018

₹ in Lakhs

	Particulars	Period ended December 31, 2018	Year ended March 31, 2018
C.	Cash flow from financing activities		
	Proceeds from long term borrowings	-	1,500.00
	Repayment of long term borrowings	-	(1,694.23)
	Net increase / (decrease) in working capital borrowings	-	(60.55)
	Interest paid	(231.09)	(209.22)
	Net cash flow from / (used in) financing activities ( C )	(231.09)	(464.00)
	Net Increase / (Decrease) in cash and cash equivalents during the period (A+B+C).	(479.47)	381.33
	Cash and cash equivalents at the beginning of the period	1,301.98	920.65
	Cash and cash equivalents at the end of the period	822.51	1,301.98
	Reconciliation of cash and cash equivalents with the balance sheet:		
	Cash and bank balances as per note 14	1,687.19	1,897.59
	Less: Bank balances not considered as cash and cash equivalents		
	-fixed deposit of original maturity more than 3 months	821.18	553.39
	- earmarked accounts	43.50	42.23
	Cash and cash equivalents at the end of the period	822.51	1,301.98
	See accompanying notes forming part of the financial statements		

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

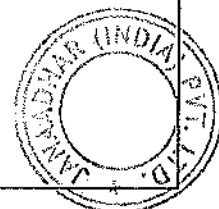
S. Ganesh  
Partner

Ramesh Ramanathan R Srinivasan  
Director Director

Arvind Bhatnagar  
Chief Operating Officer

Place: Bangalore.  
Date:

Place: Bangalore  
Date:



*R. Srinivasan*

## 3 Share capital

Particulars	As at December 31, 2018		As at March 31, 2018	
	No. of shares (in Lakhs)	₹ in Lakhs	No. of shares (in Lakhs)	₹ in Lakhs
(a) Authorized				
Equity Shares of ₹ 10 each with voting rights	42.75	427.50	42.75	427.50
Preference Shares of ₹ 100 each	12.00	1,200.00	12.00	1,200.00
<b>Total</b>	<b>54.75</b>	<b>1,627.50</b>	<b>54.75</b>	<b>1,627.50</b>
(b) Issued, subscribed and paid up				
Equity Shares of ₹ 10 each with voting rights	22.53	225.31	22.53	225.31
<b>Total</b>	<b>22.53</b>	<b>225.31</b>	<b>22.53</b>	<b>225.31</b>

(i) The Company has issued only one class of equity shares with voting rights having par value of ₹ 10 each. The rights, preferences and restrictions attached to such equity shares is in accordance with the terms of issue of equity shares under the Companies Act, 2013 (the Act), and the Articles of Association of the Company.

The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval by the shareholders at the ensuing Annual General Meeting.

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Period ended December 31, 2018			
- Number of shares (in Lakhs)	22.53	-	22.53
- Amount (₹ in Lakhs)	225.31	-	225.31
As at March 31, 2018			
- Number of shares (in Lakhs)	22.53	-	22.53
- Amount (₹ in Lakhs)	225.31	-	225.31
<b>Total</b>	<b>225.31</b>	<b>-</b>	<b>225.31</b>
<b>Previous year Total</b>	<b>225.31</b>	<b>-</b>	<b>225.31</b>

(iii) Details of shares held by the holding company:

Particulars	Equity shares with voting rights
	Number of Shares (in Lakhs)
As at December 31, 2018	
M/s. Jana Urban Foundation, the holding company	11.94
As at March 31, 2018	
M/s. Jana Urban Foundation, the holding company	11.94

(iv) Details of shares held by each shareholder holding more than 5 % shares

Class of shares / Name of shareholder	As at December 31, 2018		As at March 31, 2018	
	Number of shares held (in Lakhs)	% holding in that class of shares	Number of shares held (in Lakhs)	% holding in that class of shares
Equity shares with voting rights				
M/s. Sterling Developers Pvt Ltd	2.69	11.95%	2.69	11.95%
M/s. Jana Urban Foundation	11.94	52.99%	11.94	52.99%
M/s. Tree Line Asia Master Fund (Singapore) Pte. Ltd.	2.93	12.99%	2.93	12.99%
Mr. Vallabh Bhanshali	1.46	6.49%	1.46	6.49%
Mr. Vikram Gandhi	1.46	6.49%	1.46	6.49%
Mr. Narayan Ramachandran	1.46	6.49%	1.46	6.49%



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## 4 Reserves and surplus

₹ in Lakhs

Particulars	As at December 31, 2018	As at March 31, 2018
a. Security premium	5,309.38	5,309.38
b. Other reserves (Refer note (i) below)		
Opening balance	187.36	347.49
Less: Utilization during the year	(59.90)	(160.13)
Closing balance	127.46	187.36
c. Deficit in the statement of profit and loss		
Opening balance	(2,917.86)	(3,068.73)
Add: Net profit/ (loss) for the current year	(307.97)	150.87
Closing balance	(3,225.83)	(2,917.86)
<b>TOTAL</b>	<b>2,211.01</b>	<b>2,578.88</b>

## Note:

(i) The grant was received from The Michael & Susan Dell Foundation, for project development. The above grant has been spent for the purpose of housing for low income families. Project Shubha Phase I has already been completed and Project Shubha Phase II is near completion. The grant amount is transferred towards the cost of units on a proportionate basis as and when the dwelling units are completed. During the year, the Company has utilized the Grant to the extent of ₹ 59.41 lakhs (Previous year ₹ 160.13 lakhs). Grant is apportioned amongst Phase I and Phase II based on the budgeted cost.

## (ii) Debenture redemption reserve (DRR)

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. The Company has not created DRR in absence of adequate distributable profits.

(iii) Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Act.

## 5 Long-term borrowings

₹ in Lakhs

Particulars	As at December 31, 2018	As at March 31, 2018
Secured, redeemable non convertible debentures (Refer note below)	1,500.00	1,500.00
<b>TOTAL</b>	<b>1,500.00</b>	<b>1,500.00</b>

## Note - Rate of Interest, Security and Redemption details of Debentures

During the year ended March 31, 2018, the Company issued 150 secured redeemable non-convertible debentures (BBB- Rating) of ₹ 10 lakhs each, to IL&FS Infrastructure Debt Fund in two tranches, having tenor of three years and six months, aggregating ₹ 1,500 lakhs, on a private placement basis. These debenture are secured by exclusive charge by way of mortgage over certain projects of the Company (hereinafter referred to as "mortgaged property"), exclusive charge over receivables from sale of mortgaged property and exclusive charge over debt service reserve account and escrow accounts of mortgaged property. Collateral security is given by the holding company and pledge of promoters' holdings.

120 debentures issued at face value of ₹ 10 lakhs each, carry coupon rate of 10.7% p.a. and 30 debentures issued at face value of ₹ 10 lakhs each, carry coupon rate of 13.5% p.a. The debentures are repayable in 10 equal quarterly instalments commencing from June 30, 2019.






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## 6 Long-term provisions

₹ in Lakhs

Particulars	As at December 31, 2018	As at March 31, 2018
Provision for employee benefits Compensated absences	35.02	35.02
<b>TOTAL</b>	<b>35.02</b>	<b>35.02</b>

## 7 Other current liabilities

Particulars	As at December 31, 2018	As at March 31, 2018
Current maturities of long-term debt (Refer note below)	521.60	521.60
Interest accrued and due on borrowings	71.39	104.55
Interest accrued but not due on borrowings	4.78	15.95
Income received in advance	278.92	311.17
Debenture interest payable	-	2.31
Retention money	206.48	211.85
Payable to employees	5.46	19.04
Payable to customers	14.24	53.05
Security deposit for rent	0.20	-
Statutory audit fee payable	11.13	12.00
Other liabilities;		
(i) Statutory liabilities	15.02	34.19
(ii) Other liabilities	60.86	-
<b>TOTAL</b>	<b>1,190.09</b>	<b>1,285.71</b>

## Note - Loan from related parties

Particulars	Amount	Amount
Ramesh Ramanathan	371.60	371.60
Swathi Ramanathan	150.00	150.00
<b>Total</b>	<b>521.60</b>	<b>521.60</b>

Loan is effective from 27-Nov-2018 and tenure is 13 months bearing interest rate of 12% p.a.

## 8 Short-term provisions

Particulars	As at December 31, 2018	As at March 31, 2018
Provision for employee benefits Compensated absences	17.81	11.32
Gratuity	-	2.20
<b>TOTAL</b>	<b>17.81</b>	<b>13.53</b>





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## 10 Long-term loans and advances

₹ in Lakhs

Particulars	As at December 31, 2018	As at March 31, 2018
Unsecured, considered good		
Security deposits	7.16	-
Deposits with government authorities	100.57	99.22
Tax deducted at source (net of provisions)	31.89	34.33
MAT credit entitlement	0.00	15.02
<b>TOTAL</b>	<b>139.62</b>	<b>148.57</b>

## 11 Current investments

Particulars	As at December 31, 2018	As at March 31, 2018
Investment in mutual funds	25.00	-
<b>TOTAL</b>	<b>25.00</b>	<b>-</b>

## 12 Inventories

Particulars	As at December 31, 2018	As at March 31, 2018
(At lower of cost and net realizable value)		
Work-in-progress - Projects	1,615.94	1,477.13
Stock of units in completed projects	298.95	594.03
Others	143.01	61.60
<b>TOTAL</b>	<b>2,057.90</b>	<b>2,132.76</b>

Note - All the inventories are hypothecated/mortgaged as security for borrowing

## 13 Trade receivables

Particulars	As at December 31, 2018	As at March 31, 2018
a. Unsecured, considered good		
i) Trade receivables outstanding for a period exceeding six months from the date they were due for payment	-	218.23
ii) Other trade receivables	621.97	650.63
b. Unsecured, considered doubtful	37.71	38.07
Less: Provision for doubtful receivables	(37.71)	(38.07)
<b>TOTAL</b>	<b>621.97</b>	<b>868.87</b>

Note - All the carrying amount of receivables are pledged as security for borrowings.



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## 14 Cash and bank balances

₹ in Lakhs

Particulars	As at December 31, 2018	As at March 31, 2018
Cash in hand	0.13	0.02
Balances with banks		
(i) Current accounts	238.99	1,038.48
(ii) Deposit accounts	583.39	263.47
Cash and cash equivalents	822.51	1,301.98
Balances with banks		
(i) Deposit accounts - maturity of more than 3 months - Amount of ₹ 273.24 lakhs kept against bank guarantee	821.18	553.39
(ii) in earmarked accounts (Refer note below)	43.50	42.23
<b>TOTAL</b>	<b>1,687.19</b>	<b>1,897.59</b>

## Note:

Balance as at December 31, 2018 pertains to Debt Serve Reserve Account (DSRA) which is maintained to comply the debt service requirement as per the terms and conditions of non convertible debentures issued to IL&FS Infrastructure Debt.

## 15 Short-term loans and advances

Particulars	As at December 31, 2018	As at March 31, 2018
Secured, considered good		
Inter-corporate deposits	15.00	-
Unsecured, considered good		
Prepaid expenses	46.84	4.27
Balances with government authorities	81.99	46.99
Refundable deposits to landlord	20.00	-
Advances to employees	4.23	11.72
Trade and other advances	220.09	31.27
Project advances	139.44	56.43
Gratuity Fund	20.64	-
<b>TOTAL</b>	<b>548.23</b>	<b>150.68</b>

## 16 Other current assets

Particulars	As at December 31, 2018	As at March 31, 2018
Interest accrued on fixed deposits	34.52	13.26
Debenture issue expenses	38.46	51.27
Security deposits	34.32	46.20
Unbilled revenue	19.12	548.48
<b>TOTAL</b>	<b>126.42</b>	<b>659.21</b>

R. Anil



JAS

## 17 Revenue from operations

₹ in Lakhs

Particulars	Period ended December 31, 2018	Year ended March 31, 2018
Sale of real estate developments		
Residential and commercial projects	1,969.78	5,623.08
Other operating income (Refer note below)	27.13	68.89
<b>TOTAL</b>	<b>1,996.92</b>	<b>5,691.98</b>

Note: Other operating income comprises:

Particulars	Period ended December 31, 2018	Year ended March 31, 2018
Cancellation charges	7.16	11.17
Documentation charges	19.88	45.75
Modification charges	0.10	11.97
<b>TOTAL</b>	<b>27.13</b>	<b>68.89</b>

## 18 Other income

Particulars	Period ended December 31, 2018	Year ended March 31, 2018
Interest income:		
Fixed deposits	76.22	53.50
Interest on income tax refund	1.62	-
Other interest	-	0.01
Other non-operating income (Refer note below)	8.45	3.28
<b>TOTAL</b>	<b>86.29</b>	<b>56.79</b>

Note - Other non-operating income comprises:

Particulars	Period ended December 31, 2018	Year ended March 31, 2018
Miscellaneous income	8.45	3.28
<b>TOTAL</b>	<b>8.45</b>	<b>3.28</b>

## 19 Cost of sale on projects

Particulars	Period ended December 31, 2018	Year ended March 31, 2018
Opening balance of project inventories	2,132.76	3,132.17
Costs incurred during the year	1,476.23	3,401.62
Grant utilized	(59.90)	(160.13)
Less: Closing balance of project inventories	(2,057.90)	(2,132.76)
<b>TOTAL</b>	<b>1,491.19</b>	<b>4,240.90</b>



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## 20 Employee benefits expense

₹ in Lakhs

Particulars	Period ended December 31, 2018	Year ended March 31, 2018
Salaries	269.36	509.83
Contributions to provident and other funds	26.75	48.13
Staff welfare expenses	4.13	4.58
<b>TOTAL</b>	<b>300.24</b>	<b>562.54</b>

## 21 Finance costs

Particulars	Period ended December 31, 2018	Year ended March 31, 2018
Interest expense on borrowings	175.14	208.15
Other interest	9.31	0.66
<b>Total</b>	<b>184.45</b>	<b>208.81</b>
Less : Borrowing cost capitalized to the project	(0.73)	(133.89)
<b>TOTAL</b>	<b>183.72</b>	<b>74.92</b>

## 22 Other expenses

Particulars	Period ended December 31, 2018	Year ended March 31, 2018
Rent expense	61.51	70.78
Repairs and Maintenance - Office	29.47	44.39
Repairs and Maintenance - Others	15.56	23.85
Rates and taxes	22.16	4.22
Mangala project expenses	15.85	-
Project maintenance expenses (net)	9.40	12.15
Doubtful debts	-	38.07
Communication	5.22	8.82
Travelling and conveyance	18.08	25.32
Printing and stationery	0.73	2.66
Business promotion expenses	113.18	301.37
Legal and professional charges	73.96	140.73
Bank charges	4.91	4.78
Debenture issue expenses	12.82	-
Payment to auditors ( Refer note below)	11.32	14.07
Miscellaneous expenses	7.76	15.20
<b>TOTAL</b>	<b>401.93</b>	<b>706.41</b>

## Note:

Particulars	Period ended December 31, 2018	Year ended March 31, 2018
(i) Payments to the auditors comprise;		
(a) To statutory auditors		
- as auditor	11.32	12.00
- for other services	-	2.00
- for reimbursement of expenses	-	0.07
<b>TOTAL</b>	<b>11.32</b>	<b>14.07</b>



ANNEXURE- Z

**INGENIOUS QUALITY BUILDINGS PRIVATE LIMITED**

CIN: U45309KA2017PTC120527

Email: [caindia@hotmail.com](mailto:caindia@hotmail.com)

REGISTERED OFFICE: "PRANAVA LAKE VIEW", NO. 4, NO.4/1 TO 4/8, 1ST FLOOR, MEANEE AVENUE ROAD, OLD TANK ROAD, ULSOOR, BANGALORE 560042

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**REPORT UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF INGENIOUS QUALITY BUILDINGS PRIVATE LIMITED, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS**

The Board of Directors ("Board") of Ingenious Quality Buildings Private Limited ("Transferor Company"/ "Company"), at its board meeting held on 11<sup>th</sup> February 2019, has approved the Scheme of Arrangement pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable laws amongst Transferor Company and Janaadhar India Private Limited ("Transferee Company") and their respective shareholders (the "Scheme"). The Scheme is subject to requisite approval(s) of the National Company Law Tribunal and other regulatory authorities.

The Board of the Transferor Company had considered and approved the draft Scheme of Amalgamation.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors of the Transferor Company explaining the effect of scheme on each class of shareholders, Key Managerial Personnel ("KMPs"), promoters and non-promoter shareholders is required to be circulated to the members or class of members or creditors or class of creditors, as the case may be, for the meeting of the creditors or class of creditors or members or class of members, as the case may be, along with the notice convening such meeting.

Accordingly, as per Section 232(2)(c) of the Companies Act, 2013, the Board of Transferor Company in its meeting held on 11<sup>th</sup> February 2019 took on record the following impact of the Scheme on equity shareholders, KMPs, promoters and non-promoter shareholders of the Company:

The Board of Directors considered that the Scheme involving amalgamation of the Transferor Company into the Transferee Company and reorganization of share capital of the Transferee Company would *inter-alia* have the following positive impact:

- (i) For a total of 5,000 (Five Thousand) equity shares having the face value of Rs. 10/- each of the Transferor Company held by Mr. Sandeep Bedi as on the Record date, 60,894 (Sixty Thousand Eight Hundred and Ninety-Four) Equity shares and 334,919 (Three Hundred and Thirty-Four Thousand Nine Hundred and Nineteen) Preference Shares shall be issued in the Transferee Company in the share exchange ratio 1 : 79.16 i.e., for every 1(one) equity share held by a shareholder in the Transferor Company, 79.16 equity shares or Compulsory Convertible preference shares will be allotted in the Transferee Company;

And

- (ii) For a total of 5,000 (Five Thousand) equity shares having the face value of Rs. 10/- each of the Transferor Company held by Mr. Chander Dutta as on the Record date, 60,894 (Sixty Thousand Eight Hundred and Ninety-Four) Equity shares and 334,919 (Three Hundred and Thirty-Four Thousand Nine Hundred and Nineteen) Preference Shares shall be issued in the Transferee Company in the share exchange ratio 1 : 79.16 i.e., for every 1(one) equity share held by a shareholder in the Transferor Company, 79.16 equity shares or Compulsory Convertible preference shares will be allotted in the Transferee Company;

*Shikha Parashar*

- (iii) The KMPs and the employees of the Transferor Company shall be employed by the Transferee Company on such terms and conditions as provided in the employment agreements to be executed with the Transferee Company.

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There will be no adverse effect of the said Scheme on the Equity Shareholders (the only class of shareholders), Key Managerial Personnel, Promoter and Non-Promoter Shareholders of the Transferor Company.

For INGENIOUS QUALITY BUILDINGS PRIVATE LIMITED

Director

Shikha Parakh

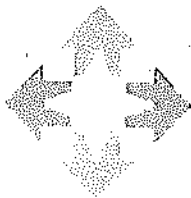
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PLACE: Bengaluru

DATE:







JANAADHAR  
Hyderabad, India

ANNEXURE- AA

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**REPORT UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF JANAADHAR INDIA PRIVATE LIMITED, EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS**

The Board of Directors ("Board") of Janaadhar India Private Limited ("Transferee Company") at its board meeting held on 11<sup>th</sup> January 2019, has approved the Scheme of Arrangement pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable laws amongst Transferor Company and Janaadhar India Private Limited ("Transferee Company") and their respective shareholders (the "Scheme"). The Scheme is subject to requisite approval(s) of the National Company Law Tribunal and other regulatory authorities.

The Board of the Transferee Company had considered and approved the draft Scheme of Amalgamation.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors of the Transferee Company explaining the effect of scheme on each class of shareholders, Key Managerial Personnel ("KMPs"), promoters and non-promoter shareholders is required to be circulated to the members or class of members or creditors or class of creditors, as the case may be, for the meeting of the creditors or class of creditors or members or class of members, as the case may be, along with the notice convening such meeting.

Accordingly, as per Section 232(2)(c) of the Companies Act, 2013, the Board of Transferee Company in its meeting held on 11<sup>th</sup> January 2019 took on record the following impact of the Scheme on equity shareholders, KMPs, Promoters and non-promoter shareholders of the Company:

The Board of Directors considered that the Scheme involving amalgamation of the Transferor Company into the Transferee Company and reorganization of share capital of the Transferee Company would *inter-alia* have the following impact:

- i. There will be dilution to the promoter shareholding of the Transferee Company. However, promoter continues to exercise the management control.
- ii. Transferee Company will get access to the technical expertise of the management team of the Transferor Company.
- iii. The Merger would result in consolidation and simplification of the overall group structure, to enable better and more efficient management, control and running of its various businesses and offering opportunities to vigorously pursue growth and expansion.



There will be no adverse effect of the said Scheme on the Equity Shareholders (the only class of shareholders), Key Managerial Personnel, Promoter and Non-Promoter Shareholders of the Transferee Company.

For JANAADHAR INDIA PRIVATE LIMITED



R. Srinivasan

Director

DIN: 00352754

PLACE: Bengaluru

DATE:



**ANNEXURE- AB**  
**SURESH & CO.**  
**Chartered Accountants**

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'SRINIDHI' #43/61, 1<sup>st</sup> Floor,  
Surveyors Street, Basavanagudi  
Bangalore- 560 004

Tele: 080-2662 3610/11  
e-mail: info@sureshandco.com  
website: www.sureshandco.com

15<sup>th</sup> December 2018

To

The Board of Directors

Janaadhar India Private Limited

"Pranava Lake View",

No. 4, No.4/1 to 4/8, Meanee Avenue, Old Tank Road, Ulsoor,  
Bangalore - 560042

To

The Board of Directors

Ingenious Quality Buildings Private Limited

Farm No. 14, 8<sup>th</sup> Avenue, Radhey Mohan Drive,

Gadaipur, New Delhi - 110030

Dear Sirs,

**Subject: Determination of share swap ratio for Janaadhar India Private Limited (hereinafter referred as "JIPL") and Ingenious Quality Buildings Private Limited (hereinafter referred as "IQB")**

We refer to the request of the management of JIPL and IQB and subsequent discussions, wherein, we were requested for the assistance in arriving at share swap ratio for the proposed merger of JIPL with IQB. In this regard, we are pleased to provide you the share swap ratio for the proposed merger.

**1. CONTEXT AND PURPOSE**

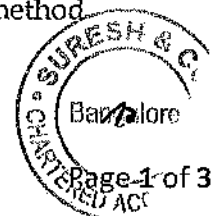
We understand that JIPL is proposing a merger scheme with IQB which involves the merger, on a going concern basis, the assets and liabilities of entire business of IQB will be transferred to JIPL in exchange for the issuance of shares by JIPL to the shareholders of IQB.

**2. SCOPE OF WORK**

JIPL and IQB have articulated their intention to make use of the services of Suresh & Co. Chartered Accountants for assistance in arriving at the swap ratio for the proposed merger.

The swap ratio for the merger would be based on:

- The fair value of shares of JIPL arrived based on Discounted cashflow method
- The fair value of shares of IQB arrived based on Discounted cashflow method



### 3. KEY VALUATION CONSIDERATIONS

Our review of the audited and unaudited financial statements did not indicate any area where the accounting policies and estimates adopted for JIPL and IQB are different so as to significantly impact the net assets or profitability. This fact has also been confirmed by the management of JIPL & IQB.

### 4. VALUE ANALYSIS

Based on the above information, and the valuation report of JIPL dated 10<sup>th</sup> December 2018 and valuation report of IQB dated 12<sup>th</sup> December 2018, we assess that the exchange ratio would be 1:79.16 i.e. for every single share of IQB held by a shareholder, 79.16 shares of JIPL of face value INR 10/- will need to be issued.

We understand from discussions with the management that, JIPL will issue either equity shares of face value INR 10/- or convertible preference shares of face value INR 10/-, on such terms and conditions to be agreed between JIPL and IQB. Since, it is intended that conversion (subject to the adjustments to conversion ratio, including business performance and other parameters; and management represents that these business performances and other parameters would be achieved to the best of their ability), will be on a 1 convertible preference share : 1 equity share basis, the valuation does not change, and hence the exchange ratio would be 1:79.16 i.e. for every single share of IQB held by a shareholder, 79.16 equity or convertible preference shares of JIPL of face value INR 10/-, may be issued.

### 5. COMPUTATION OF SWAP RATIO

Particulars	JIPL	IQB
Fair Value	1,76,41,12,259	62,01,70,625
Number of Shares	22,53,087	10,000
Total fair value of the merged entity	2,38,42,82,884	
Percentage of equity value of IQB over merged entity (rounded off)	26%	
Percentage of holding of IQB shareholders in merged entity	26%	
No of shares of JIPL to be issued to IQB Shareholders upon merger	791626	
Swap Ratio	79:1626:1	

### 6. CAVEAT

The swap ratio has been arrived considering the valuation of JIPL and IQB separately. Any change in the valuation of JIPL and IQB will impact the swap ratio.

## 7. DISTRIBUTION OF REPORT

This Report is prepared for the limited purpose of arriving at the swap ratio for the proposed merger of JIPL with IQB, to be presented before the Hon'ble National Company Law Tribunal. It is not to be used, referred to or distributed for any other purpose without our written permission.

In case the management proposes to make available our Report to any third party, it shall seek our written consent. While this consent would not be unreasonably withheld, we will require holding a harmless letter in a form expressly agreed by us from each party to whom the report is proposed to be given. In such case, we will not accept any liability / responsibility to such parties to whom the Report is shown. The contents of this report will not be disclosed to any other party.

While due care has been exercised in carrying out the engagement, we shall not accept any responsibility or liability to third parties to whom our Report may have been shown or into whose hands it may come. Such parties are advised to carry out their own independent assessment or to obtain professional advice before taking relevant decisions.

We would like to record our appreciation for the courtesy and co-operation received by us during the course of our work.

for SURESH & CO.  
Chartered Accountants  
FRN: 004255S

*P. P. Vivek*

Vivek D S  
Partner  
M. No.: 206122



**ANNEXURE-**  
**SURESH & CO.**  
Chartered Accountants

AC

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'SRINIDHI' #43/61, 1<sup>st</sup> Floor,  
Surveyors Street, Basavanagudi  
Bangalore- 560 004

Tele: 080-2662 3610/11  
e-mail: info@sureshandco.com  
website: www.sureshandco.com

12<sup>th</sup> December 2018

To  
The Board of Directors  
Ingenious Quality Buildings Private Limited  
Farm No. 14, 8<sup>th</sup> Avenue, Radhey Mohan Drive,  
Gadaipur, New Delhi - 110030

Dear Sirs,

**Subject: Valuation of shares of Ingenious Quality Buildings Private Limited (hereinafter referred as "IQB")**

We refer to the request of the management of IQB and subsequent discussions, wherein, we were requested for the assistance in carrying out valuation analysis of IQB for the proposed merger with JIPL. In this regard, we are pleased to provide you our valuation analysis of shares of IQB.

#### 1. CONTEXT AND PURPOSE

We understand that IQB is proposing a merger scheme with JIPL which involves the merger, on a going concern basis, of the assets and liabilities of entire business of IQB, will get merged with JIPL in exchange for the issuance of shares by JIPL to the shareholders of IQB.

#### 2. SCOPE OF WORK

2.1 IQB has articulated its intention to make use of the services of Suresh & Co. Chartered Accountants, Bangalore for assistance in determining the fair value of the shares of IQB as on 30<sup>th</sup> September 2018, for the purpose of arriving at the swap ratio.

2.2 The fair value of shares of IQB arrived at based on discounted cash flow valuation method as on 30<sup>th</sup> September 2018.

#### 3. PROFILE OF IQB

3.1. Ingenious Quality Buildings Private Limited is incorporated on 21<sup>st</sup> November 2017. It is classified as non-govt company and is registered at Registrar of Companies, Delhi. Its authorized share capital is Rs. 100,000 and its paid-up capital is Rs. 100,000. It is involved in building installation using precast technology. These activities are usually performed at the construction site, although parts of the job may be carried out in a special shop.

*Suresh Parash*



#### 4. SOURCES OF INFORMATION

4.1 We have called for and have been provided with various information, explanations, data, documents, accounts and statements for the purpose of arriving at the fair value of the shares of IQB. The main sources of information used in our valuation analysis includes:

- Audited financial statements of IQB for the year ended 31<sup>st</sup> March 2018
- Provisional financial statements of IQB for the period ended 30<sup>th</sup> September 2018.
- Projected financial statements of IQB for the 6 months period from 1<sup>st</sup> October 2018 to 31<sup>st</sup> March 2019 and subsequent 4 financial years ending with 31<sup>st</sup> March 2023.
- Discussions with the management of IQB.

The provisional financial statements as of 30<sup>th</sup> September 2018 and projected financial statements till 31<sup>st</sup> March 2023 have been considered for justifying the going concern basis of the entities.

4.2 For the purpose of determining the fair value, we have depended on the information provided to us by the management of IQB, which we believe to be reliable and our conclusions are dependent on such information being complete and accurate in all material respects.

4.3 We are not required to and have not carried out any due diligence review, independent audit or other test or validation of such financial and other information to establish the accuracy or sufficiency of the financial statements referred to above or of the information, explanations and representations provided to us. Accordingly, we do not express an opinion or any other form of assurance thereon and accept no responsibilities for the same.

4.4 Since the determination of fair value of shares is essentially based on the information provided, for which the management of IQB accepts full and sole responsibility, and our review and analysis have been limited to the below mentioned procedures, our analysis is subject to this limitation. Our reliance and use of this information should not be considered as an expression of our opinion on it, and we do not and will not accept any responsibility or liability for the impact of any inaccuracies in it on our valuation analysis.



*Suresh & Co.*



## 5. KEY INDICATORS CONSIDERED

For the purpose of valuation of IQB, the following data have been considered:

Components	Parameter Considered	Source	Value
Risk Free Rate ( $R_f$ )	Zero coupon yield curve	CCI	8.22%
Market Return ( $R_m$ )	Sensex	BSE	17.23%
Market Risk Premium ( $R_m$ )	$(R_m - R_f)$		9.01%
Beta ( $\beta$ )	Levered Beta (3-year average of the Beta of Comparable Companies)	-	1.555
Cost of equity ( $R_e$ )	CAPM	$R_f + \beta \times (R_m - R_f)$	22.23%
Add: Additional risk factor	Basis for additional risk is - the company is a startup - technology obsolescence		5.00%
Adjusted cost of equity			27.23%

## 6. PROCEDURES

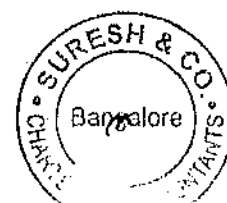
The procedures used in our analysis included such substantive steps as we considered necessary under the circumstances including, but not limited, to the following:

- A broad understanding of the audited financial statements of IQB for the year ended 31<sup>st</sup> March 2018 and provisional financial statements as on 30<sup>th</sup> September 2018.
- Desktop analysis of the Projected financial statements of IQB for the 6 months period from 1<sup>st</sup> October 2018 to 31<sup>st</sup> March 2019 and subsequent 4 financial years ending with 31<sup>st</sup> March 2023.
- Discussions with the management on several business matters including but limited to nature of contracts proposed to be executed.
- Such other analysis, reviews and inquiries as we considered appropriate.

## 7. Valuation of Shares based on Discounted Cash flow

Discounted cash flow (DCF) analysis is a method of valuing a project, company, or asset using the concepts of the time value of money. All future cash flows are estimated and discounted to give their present values (PVs)—the sum of all future cash flows, both incoming and outgoing, is the net present value (NPV).

*Shrikanth*





Particulars	Values (Rs)
Discounted Free Cash Flow Value (Horizon based on 5 years projections)	29,37,59,599
Discounted Free Cash Flow Terminal Value	47,97,72,668
Enterprise Value (Horizon + Terminal)	77,35,32,267
Less: Discount liquidity matters @ 20%	15,47,06,453
Value	61,88,25,813
Add: Current cash balance	13,44,812
Total Equity Value	62,01,70,625
Total number of equity shares	10,000
Value per share	62,017

## 8. CAVEAT

As you are aware, by its very nature, valuation work cannot be regarded as an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

The valuation conclusions arrived at in many cases are, by their very nature, subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions, which have to be made.

There can therefore be no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness. It may be pointed out that valuations are based on estimates of future financial performance or opinions that represent reasonable expectations at a particular point in time.

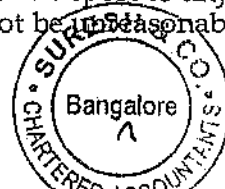
The knowledge, negotiating ability and motivation of the shareholders and the applicability of a discount or premium for control will also affect actual value achieved. The final value of the business is something on which the parties themselves have to agree. We also emphasize that our opinion is not the only factor that should be considered by parties in agreeing to the Value.

## 9. DISTRIBUTION OF REPORT

This Report is prepared for the purpose of knowing the fair value of Shares of IQB for the proposed merger with JIPL, before the respect Hon'ble National Company Law Tribunal. It is not to be used, referred to or distributed for any other purpose without our written permission.

In case the management proposes to make available our Report to any third party, it shall seek our written consent. While this consent would not be unreasonably withheld, we will

*Suresh Suresh*



require holding a harmless letter in a form expressly agreed by us from each party to whom the report on Business valuation is proposed to be given. In such case, we will not accept any liability / responsibility to such parties to whom the Report is shown. The contents of this report will not be disclosed to any other party.

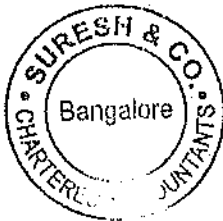
While due care has been exercised in carrying out the engagement, we shall not accept any responsibility or liability to third parties to whom our Report may have been shown or into whose hands it may come. Such parties are advised to carry out their own independent assessment or to obtain professional advice before taking relevant decisions.

We would like to record our appreciation for the courtesy and co-operation received by us during the course of our work.

for SURESH & CO.  
Chartered Accountants  
FRN: 004255S

*P. D. Vivek*

Vivek D S  
Partner  
M. No.: 206122



*Shri H. Parath*

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**SURESH & CO.**  
Chartered Accountants

'SRINIDHI' #43/61, 1<sup>st</sup> Floor,  
Surveyors Street, Basavanagudi  
Bangalore- 560 004

Tele: 080-2662 3610/11  
e-mail: info@sureshandco.com  
website: www.sureshandco.com

10<sup>th</sup> December 2018

To  
The Board of Directors  
Janaadhar India Private Limited  
"Pranava Lake View",  
No. 4, No.4/1 to 4/8, Meanee Avenue,  
Old Tank Road, Ulsoor,  
Bangalore - 560042

Dear Sirs,

Subject: Valuation of shares of Janaadhar India Private Limited (hereinafter referred as "JIPL").

We refer to the request of the management of JIPL and subsequent discussions, wherein, we were requested for the assistance in carrying out valuation analysis of JIPL for the proposed merger with IQB. In this regard, we are pleased to provide you our valuation analysis of shares of JIPL.

## 1. CONTEXT AND PURPOSE

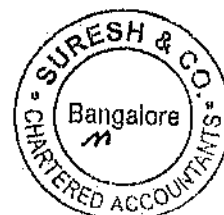
We understand that JIPL is proposing a merger scheme with IQB which involves the merger, on a going concern basis, of the assets and liabilities of entire business of IQB will get merged with JIPL in exchange for the issuance of shares by JIPL to the shareholders of IQB.

## 2. SCOPE OF WORK

2.1 JIPL has articulated its intention to make use of the services of Suresh & Co. Chartered Accountants, Bangalore for assistance in determining the fair value of the shares of JIPL as on 30<sup>th</sup> September 2018, for the purpose of arriving at the swap ratio.

2.2 The fair value of shares of JIPL arrived at based on discounted cash flow valuation method as on 30<sup>th</sup> September 2018.

*Suresh & Co.*



### 3. PROFILE OF JIPL

Janaadhar (India) Private Limited is incorporated on 29<sup>th</sup> November 2007. It is classified as non-govt company and is registered at Registrar of Companies, Bangalore. Its authorized share capital is Rs. 162,750,000 and its paid-up capital is Rs. 22,530,870. It is involved in the business of constructing and sales of affordable houses.

### 4. SOURCES OF INFORMATION

4.1 We have called for and have been provided with various information, explanations, data, documents, accounts and statements for the purpose of arriving at the fair value of the shares of JIPL. The main sources of information used in our valuation analysis includes:

- Audited financial statements of JIPL for the year ended 31<sup>st</sup> March 2018
- Provisional financial statements of JIPL for the period ended 30<sup>th</sup> September 2018.
- Projected financial statements of JIPL for the 6 months period from 1<sup>st</sup> October 2018 to 31<sup>st</sup> March 2019 and subsequent 4 financial years ending with 31<sup>st</sup> March 2023.
- Discussions with the management of JIPL.

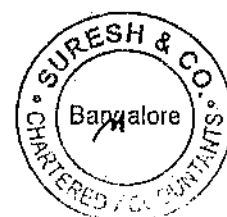
The provisional financial statements as of 30<sup>th</sup> September 2018 and projected financial statements till 31<sup>st</sup> March 2023 have been prepared on a standalone basis and considered for justifying the going concern basis of the entities.

4.2 For the purpose of determining the fair value, we have depended on the information provided to us by the management of JIPL, which we believe to be reliable and our conclusions are dependent on such information being complete and accurate in all material respects.

4.3 We are not required to and have not carried out any due diligence review, independent audit or other test or validation of such financial and other information to establish the accuracy or sufficiency of the financial statements referred to above or of the information, explanations and representations provided to us. Accordingly, we do not express an opinion or any other form of assurance thereon and accept no responsibilities for the same.

4.4 Since the determination of fair value of shares is essentially based on the information provided, for which the management of JIPL accepts full and sole responsibility, and our review and analysis have been limited to the below mentioned procedures, our analysis is subject to this limitation. Our reliance and use of this information should not be considered as an expression of our opinion on it, and we do not and will not accept any responsibility or liability for the impact of any inaccuracies in it on our valuation analysis.

*Suresh Parash*



## 5. KEY INDICATORS CONSIDERED

For the purpose of valuation of JIPL, the following data have been considered:

Components	Parameter Considered	Source	Value
Risk Free Rate ( $R_f$ )	Zero coupon yield curve	CCI	8.22%
Market Return ( $R_m$ )	Sensex	BSE	17.23%
Market Risk Premium ( $R_m$ )	$(R_m - R_f)$		9.01%
Beta ( $\beta$ )	Levered Beta (3-year average of the Beta of Comparable Companies)	-	1.070
Cost of equity ( $k_e$ )	CAPM	$R_f + \beta \times (R_m - R_f)$	17.86%

## 6. PROCEDURES

The procedures used in our analysis included such substantive steps as we considered necessary under the circumstances including, but not limited, to the following:

- A broad understanding of the audited financial statements of JIPL for the year ended 31<sup>st</sup> March 2018 and provisional financial statements as on 30<sup>th</sup> September 2018.
- Desktop analysis of the Projected financial statements of JIPL for the 6 months period from 1<sup>st</sup> October 2018 to 31<sup>st</sup> March 2019 and subsequent 4 financial years ending with 31<sup>st</sup> March 2023.
- Discussions with the management on several business matters including but limited to nature of contracts proposed to be executed.
- Such other analysis, reviews and inquiries as we considered appropriate.

## 7. Valuation of Shares based on Discounted Cash flow

Discounted cash flow (DCF) analysis is a method of valuing a project, company, or asset using the concepts of the time value of money. All future cash flows are estimated and discounted to give their present values (PVs)—the sum of all future cash flows, both incoming and outgoing, is the net present value (NPV).

*Suresh Parakh*



Particulars	Values (Rs)
Discounted Free Cash Flow Value (Horizon - based on 5 years projections)	36,48,91,819
Discounted Free Cash Flow Terminal Value	1,61,89,98,505
Enterprise Value (Horizon + Terminal)	1,98,38,90,324
Less: Discount liquidity matters @ 20%	39,66,78,065
Value	1,58,67,12,259
Add: Current cash balance	17,74,00,000
Total Equity Value	1,76,41,12,259
Total number of shares outstanding	22,53,087
Value per share	782.97

The management of the company represents that it intends to allot both equity shares and compulsorily convertible preference shares ("CCPS") of JIPL to the shareholders of IQB. The conversion ratio between CCPS and Equity shares is 1:1. The value of both equity shares and CCPS is same i.e. ₹ 782.97.

#### 8. CAVEAT

As you are aware, by its very nature, valuation work cannot be regarded as an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

The valuation conclusions arrived at in many cases are, by their very nature, subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of separate judgment decisions, which have to be made.

There can therefore be no standard formulae to establish an indisputable value, although certain formulae are helpful in assessing reasonableness. It may be pointed out that valuations are based on estimates of future financial performance or opinions that represent reasonable expectations at a particular point in time.

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for SURESH & CO.  
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FRN: 004255S

  
Vivek DS  
Partner  
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