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**SCHEME OF AMALGAMATION**

**BETWEEN**

**YAMUNA BIO ENERGY PRIVATE LIMITED**

**AND**

**KOTYARK INDUSTRIES LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**



## PREAMBLE

This Scheme of Amalgamation is presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 for amalgamation of Yamuna Bio Energy Private Limited (hereinafter referred to as "Transferor Company" or "YBEPL") with Kotyark Industries Limited (hereinafter referred to as "Transferee Company" or "KIL").

## PARTS OF THE SCHEME

This Scheme of Amalgamation is divided into the following parts:

- (1) **PART I** deals with the definitions, share capital and description of YBEPL and KIL;
- (2) **PART II** deals with the amalgamation of YBEPL and KIL;
- (3) **PART III** deals with general terms and conditions applicable to this Scheme of Amalgamation.

## PART I DEFINITIONS AND SHARE CAPITAL

### 1. DEFINITIONS

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

- 1.1. "**Act**" means the Companies Act, 2013 (as amended) and any corresponding provisions of the Companies Act, 2013 (to the extent notified) (including any statutory modifications(s) or re-enactment(s) thereof) and rules and regulations made thereunder, for the time being in force, and which may relate to or are applicable to the Scheme.
- 1.2. "**Appointed Date**" means 1 April, 2022, or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority, as may be applicable, from which date the Undertaking of the Transferor Company (as defined hereinafter) shall deemed to be transferred or vested in the Transferee Company (as defined hereinafter) without any further act, deed, or thing;
- 1.3. "**Board**" or "**Board of Directors**" in relation to each of the Companies means the board of directors of Transferor and/ or Transferee company and, unless it be repugnant to the context, includes a duly authorised committee of directors;
- 1.4. "**Companies**" means collectively YBEPL and KIL;
- 1.5. "**Effective Date**" means the date when last of the conditions mentioned in Clause 20 of this Scheme are fulfilled;
- 1.6. "**NCLT**" means National Company Law Tribunal, Benches at Ahmedabad which have jurisdiction in relation to the Transferor Company and the Transferee Company, respectively;
- 1.7. "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this Scheme of Amalgamation in its present form as submitted to the NCLT with such modification(s), if any made, as per Clause 18 of the Scheme, as approved or directed by the said NCLT or such other competent authority, as may be applicable;
- 1.8. "**Record Date**" means such date as may be mutually fixed by the Board of Directors or any authorized committee / person thereof of the Transferor Company and the Transferee Company to determine the shareholders of Transferor Company to whom shares of Transferee Company shall be issued and allotted under the Scheme;
- 1.9. "**Transferor Company**" or "**Amalgamating Company**" or "**YBEPL**" means Yamuna Bio Energy Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office at A-3, Shree Ganesh Nagar, Chhani Vadodara 390 002 Gujarat. The CIN of YBEPL is U40106GJ2014PTC079753.

For KOTYARK INDUSTRIES LIMITED

For Yamuna Bio Energy Private Limited

  
DIRECTOR

  
Director



- 1.10. **“Transferee Company” or “Amalgamated Company” or “KIL”** means Kotyark Industries Limited, a public listed company incorporated under the Companies Act, 2013 and having its registered office at A-3, 2nd Floor, Shree Ganesh Nagar Housing Society, Ramakaka Temple Road, Chhani, Vadodara 391 740 Gujarat. The CIN of the KIL is U24100GJ2016PLC094939. The Transferee Company is listed on NSE Emerge platform.
- 1.11. **“Undertaking”** means all the undertaking and entire business of the Transferor Company as a going concern, including:
- i) All the assets and properties of YBEPL immediately before the Appointed Date.
  - ii) All debts, liabilities, duties, and obligations of whatsoever nature of YBEPL immediately before the Appointed Date.
  - iii) Without prejudice to the generality of the foregoing clause the expression ‘Undertaking’ shall include all rights, powers, authorities, privileges, benefits, liberties and interest in all properties and assets of YBEPL, whether moveable or immovable, real or personal, corporeal or incorporeal, in-possession or in-reversion, present or contingent, of whatsoever nature and wherever situate, including without limitation all lands, buildings, installations, licenses, plant & machinery, furniture and fittings, vehicles, office equipment, shares, cash & bank balances, remittances and goods-in-transit, loans & advances, leasehold rights, tenancy rights, advantages, permits, quota rights, agency rights, trade marks, patent and other properties, import entitlements, telephone and telex and all other interest, rights and powers of every kind; nature and description held, applied or as may be obtained and receivable hereafter by YBEPL or to which YBEPL is entitled to as on the Appointed Date or thereafter.
  - iv) All permanent employees of the YBEPL as on the Effective Date.
  - v) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, any pricing information and other records whether in physical or electronic form, of YBEPL;
- 1.11. Any reference in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws including any statutory modification or re-enactment thereof from time to time.

## 2. DESCRIPTION OF THE COMPANIES

YBEPL was incorporated on 11th June, 2014 as a Private Limited Company. The following is the main object of the YBEPL as per its Memorandum of Association:

To takeover the running proprietorship business of Yamuna Industries and to carry on the business of manufacturing, trading, import, export & other wise deal in Bio-Diesel, Bio-fuels, Oils and fats, De-oiled cakes, Bio-fertilizers, Bio-gas, Bio-mass, Electricity, used oils, fats, organic products, Bio-cosmetics and its related products & to import, export, trade and to establishing and developing of biomethanation- solar waste heat recovery based green energy projects, renewable energy projects, power projects, biomethanation plants, recycling plants, desalination plants and also offering operation and maintenance.

KIL, a public listed company, was originally incorporated as “Kotyark Industries Private Limited” on December 30, 2016 in the State of Gujarat. It was converted from private limited company to limited

For KOTYARK INDUSTRIES LIMITED

  
DIRECTOR

For Yamuna Bio Energy Private Limited

  
Director





company and name was changed to "Kotyark Industries Limited" vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on July 24, 2021 and a fresh certificate of incorporation dated August 05, 2021 issued by the Registrar of Companies, Ahmedabad. The following are the main objects of KIL as per its Memorandum of Association:

1. To manufacture, produce, refined, process, formulate, buy, sell, export, import or otherwise dealing in all types of heavy and light chemicals, chemical elements, compounds including without limiting the generally fोगing laboratory and scientific chemical or any nature used capable of being used in the pharmaceutical industries, agricultural chemical fertilizers, petrochemicals, industries chemicals or any mixtures, derivatives and compound thereof.
2. To establish, organize, manage, run, charter, conduct, contract, develop, handle, own, operate, and to do business as transporters and carriers of goods, things, merchandise, commodities of all kinds and descriptions, in any part of India and/or abroad, subject to law of the place in force, in all its branches on land, water, rail or road and air or by any means of conveyance whatsoever, as an agent or in its own name.

### 3. SHARE CAPITAL

3.1. The share capital of YBEPL as on 31st March, 2022 was as follows:

Particulars	Amount in Rupees (Rs.)
<b>Authorised Capital</b>	
70,00,000 Equity Shares @ Rs.10 each	7,00,00,000
<b>Issued, subscribed and paid-up capital</b>	
64,94,400 Equity Shares @ Rs.10 each	6,49,44,000

Subsequent to the 31st March, 2022 and upto the date of approval of this Scheme by the Board of the Transferor Company, there has been no change in the share capital of the Transferor Company.

3.2. The share capital of KIL as on 31st March, 2022 was as follows:

Particulars	Amount in Rupees (Rs.)
<b>Authorised Capital</b>	
90,00,000 Equity Shares @ Rs.10 each	9,00,00,000
<b>Issued, subscribed and paid-up capital</b>	
82,74,900 Equity Shares @ Rs.10 each	8,27,49,000

The equity shares of the Transferee Company are listed on NSE Emerge platform. Subsequent to the 31st March, 2022 and upto the date of approval of this Scheme by the Board of the Transferor Company, there has been no change in the share capital of the Transferor Company.

## PART II AMALGAMATION OF YBEPL WITH KIL

### 4. RATIONALE FOR THE SCHEME

It is proposed to amalgamate YBEPL into KIL by this Scheme, as a result of which the following benefits shall, inter alia, accrue to the Companies and to the respective shareholders and stakeholders of the Companies:

- (a) The business activities of the Transferor Company and the Transferee Company are similar in nature, it would enable the Transferee Company to leverage its combined assets and to create a more competitive business, both in scale and operations;
- (b) The Scheme will result in consolidation of the value of stakeholders which is in the interest of the shareholders, creditors and employees of the Amalgamating Company and the Amalgamated Company.

For KOTYARK INDUSTRIES LIMITED

*[Signature]*  
DIRECTOR

For Yamuna Bio Energy Private Limited

*[Signature]*  
Director



- (c) The proposed amalgamation of YBEPL (Transferor Company) into KIL (Transferee Company) is in accordance with the Scheme of Amalgamation would enable both the companies to realize the substantial benefits of greater synergies among their businesses and would enable them to avail the financial resources as well as the managerial, technical, man power, distribution and marketing resources of each other, leading to a reduction in costs.
- (d) The Amalgamation contemplated in this Scheme will help avoid duplication of administrative functions, resources, systems, skills and processes, reduce overall cost, improve synergies, enable the achievement of economies of scale, reduce administrative costs entailed by the conduct of businesses through separate entities, eliminate multiple record-keeping, provide enhanced flexibility in funding of expansion plans, promote management efficiency and optimize the resources of the Amalgamated Company.
- (e) Consolidation of entities will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the companies.
- (f) It will lead to cost savings owing to more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
- (g) It will help in achieving consolidation, greater integration and flexibility that will maximize overall shareholder's value and improve the competitive position and negotiating power of the combined entity.
- (h) It would enhance operational, organizational and financial efficiencies, and achieve economies of scale by pooling of resources and ultimately enhancing overall shareholders value;
- (i) It would achieve synergies in costs (particularly in respect of customer relationship management and establishing sales and marketing channels), operations, stronger and wider capital and financial base for future growth;
- (j) It would allow for an integrated and coordinated approach to investment strategies and more efficient allocation of capital and cash management;
- (k) It would prevent overlap of sales and marketing channels of the Transferor Company and the Transferee Company;
- (l) It would consolidate administrative and managerial functions and elimination of multiple record-keeping, *inter alia*, other expenditure and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs thus resulting in reduced expenditure.

## 5. TRANSFER AND VESTING

- 5.1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and whole of the Undertaking of YBEPL including all the properties and assets, present or future or contingent or of whatsoever nature, if any, shall under the provisions of Section 230 to 232 and all other applicable provisions of the Act and pursuant to the order of the NCLT sanctioning this Scheme and without any further act or deed be transferred and/or deemed to be transferred to and vested with KIL, as a going concern, so as to become the properties of KIL.
- 5.2. Provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility availed of by YBEPL and KIL shall not be obliged to create or provide any further or additional security thereof after the Effective Date or otherwise.
- 5.3. With effect from the Appointed Date and upon the Scheme becoming effective, all the rights of YBEPL in immovable properties shall stand transferred to KIL automatically without requirement of execution of any further documents for registering the name of KIL as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar, Municipality, etc. shall make necessary mutation entries and changes in the land or revenue records to reflect the name of KIL as owner of the immovable properties.
- 5.4. With effect from the Appointed Date and upon the Scheme becoming effective, all the assets of YBEPL as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand vested in KIL, and shall become the property and an integral part of KIL. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred accordingly.

For KOTYARK INDUSTRIES LIMITED

For Yamuna Bio Energy Private Limited

  
DIRECTOR

  
Director



- 5.5. With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, obligations, charges, liens, encumbrance, mortgages, contingent liabilities, taxes (including taxes paid under protest or otherwise) and duties of YBEPL and other obligations of whatsoever nature, if any, shall under the provisions of Section 230 and 232 of the Act and pursuant to the order of the NCLT sanctioning this Scheme and without any further act, instrument or deed be transferred or be deemed to be transferred to and vest in and be assumed by KIL so as to become the debts, liabilities, contingent liabilities, duties and obligations of YBEPL on the same terms and conditions as were applicable to KIL.
- 5.6. With effect from the Appointed Date and upon the Scheme becoming effective, KIL shall own and have the rights to use the trademarks / brand names if any of the products presently manufactured, marketed, sold, or distributed by YBEPL consistent with YBEPL's ownership/ rights to use such trademarks/ brand names. The brand names / trademarks owned by YBEPL shall vest in KIL.
- 5.7. With effect from the Appointed Date and upon the Scheme becoming effective, subject to applicable law, any statutory licenses, permissions, approvals, registration and/or consents held by YBEPL shall stand vested in KIL (save and except as otherwise specified in this Scheme) without any further act, deed, matter, or thing and shall be appropriately registered with the statutory authorities concerned in favour of KIL. The benefit of all statutory and regulatory licenses, permissions, approvals, registration of YBEPL shall vest in and become available to KIL pursuant to the Scheme. Provided that any statutory licenses, permissions, approvals, registration and/or consents held by YBEPL that are not required by KIL will, if required by applicable laws, be cancelled, or surrendered.
- 5.8. It is clarified that the Scheme shall not in any manner affect the rights and interest of the creditors of the Transferor Company or be deemed to be prejudicial to their interests.
- 5.9. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date until such times the names of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of Transferor Company for such times as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted or, continued by or against the Transferee Company after the coming into effect of the Scheme. The Transferee Company shall under the provisions of the Scheme be deemed from appointed date, to be authorised to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.
- 5.10. The transfer and vesting of the Undertaking of the Transferor Company into the Transferee Company shall be subject to the existing securities, charges, mortgages, liens and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof forming part of the Transferor Company to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Transferor Company. All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by the Transferor Company, after the Appointed Date but prior to the Effective Date, over the properties and other assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, liens or other encumbrances secure or relate to liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective

For KOTYARK INDUSTRIES LIMITED

  
DIRECTOR

For Yamuna Bio Energy Private Limited

  
Director



Date and are transferred to the Transferee Company, and such securities, mortgages, charges, liens or other encumbrances shall not relate or attach to any of the other assets of the Transferee Company.

- 5.11. Further, where any document in case of any encumbrance, charge and/or right created by the Transferor Company, is transferred to or replaced by the Transferee Company, no duty (including stamp duty), levy, expense, charge and/or cess of any nature will be payable by the Transferee Company at the time of replacement and/or modification of the encumbrance, charge and/or right with any Governmental authority (including Registrar of Companies) or any other person as the case maybe and the duty and other levies already paid by the Transferor Company shall be deemed to have been paid by the Transferee Company.
- 5.12. The existing encumbrances over the properties and other assets of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

## 6. CONSIDERATION

- 6.1. Upon the Scheme coming into effect and without any further application, act or deed, the Transferee Company shall, in consideration of the amalgamation of the Transferor Company with the Transferee Company, issue and allot, to every equity shareholder of the Transferor Company, holding fully paid-up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on the Record Date to be announced by the Board of the Transferee Company:

14 (Fourteen) Equity Shares of the Transferee Company, credited as fully paid-up Equity Shares of face value of Rs. 10 each fully paid up with rights attached thereto as hereinafter mentioned (hereinafter referred to as the "New Equity Shares") for every 100 (One Hundred) Equity Shares of face value of Rs.10 each fully paid-up, held by such shareholder in the capital of the Transferor Company ("Share Exchange Ratio").

- 6.2. The New Equity Shares to be issued by the Transferee Company in lieu thereof shall also be issued in dematerialized form with the New Equity Shares being credited to the existing depository accounts of the members of the Transferor Company entitled thereto.
- 6.3. Pursuant to the Scheme, the shares of the Transferor Company held by its equity shareholders (both in physical and dematerialized form), shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled. The said equity shares of Transferor Company held in physical form shall be deemed to have been automatically cancelled without any requirement to surrender the certificates for shares held by the shareholders of the Transferor Company.
- 6.4. In applying the Share Exchange Ratio, fractional entitlements, if any, will be dealt with in the manner explained below as prescribed by SEBI Master Circular dated 23 November 2021 or in such other manner as may be prescribed by SEBI from time to time. The fractional entitlements will be consolidated into whole numbers of shares and such consolidated shares shall be issued and allotted to a trustee appointed by KIL in that behalf, who shall sell such shares in the market within a period of 90 days from the date of allotment of shares, as per the draft Scheme and distribute the net sale proceeds (after deduction of applicable taxes) to the eligible shareholders in proportion to their fractional entitlements. The New Equity Shares in the Transferee Company to be issued to the shareholders of the Transferor Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and the New Equity Shares so issued shall rank pari-passu in all respects with the existing Equity Shares of the Transferee Company.

- 6.5. The New Equity Shares of the Transferee Company issued in terms of the Scheme shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock

For KOTYARK INDUSTRIES LIMITED

  
DIRECTOR

For Yamuna Bio Energy Private Limited

  
Director







exchange(s) where the existing Equity Shares of the Transferee Company are listed and/or admitted to trading.

- 6.6. The equity shares of the Transferee Company allotted pursuant to the scheme shall remain frozen in the depositories system till listing / trading permission is given by the stock exchange.
- 6.7. Till the listing of the New Equity Shares of the Transferee Company, there will be no change in the pre-arrangement capital structure and shareholding pattern or controls in the Transferor Company, which may affect status of the approval of the stock exchanges to this scheme.
- 6.8. Approval of the Scheme by the shareholders of Transferee Company shall be deemed to be due compliance of the provisions of section 42, 62 and other relevant or applicable provisions of the Act and Rules made thereunder for the issue and allotment of the Equity shares by Transferee Company to the shareholders of Transferor Company as provided hereinabove.

## 7. CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

- 7.1. With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company:
  - shall carry on and be deemed to be carrying on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits/reserves accruing to the Transferor Company or losses arising or incurred by it shall, for all purposes, be treated as the profits/reserves or losses of the Transferee Company as the case may be;
  - hereby undertakes to carry on its business until the Effective Date with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said business or any part thereof except in the ordinary course of its business;
  - shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business;
  - shall not, without the written consent of the Transferee Company, undertake any new business;
  - The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law, contract or are otherwise considered necessary, for such consents, approvals and sanctions which the Transferee Company may require to effectually own and operate the business of the Transferor Company.
  - With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business carried on by the Transferor Company in addition to the business of the Transferee Company.

## 8. TAXES, DUTIES, CESS, ETC.

- 8.1. The Scheme is consistent with the provisions of Section 2(1B) of the Income Tax Act, 1961 whereby:
  - i) all the property of the Amalgamating Company immediately before the amalgamation becomes the property of the Amalgamated Company by virtue of the amalgamation;
  - ii) all the liabilities of the Amalgamating Company immediately before the amalgamation become the liabilities of the Amalgamated Company by virtue of the amalgamation;

The provisions of the Scheme are to be read so far as circumstances permit to be consistent with the requirements of section 2(1B) of the Income Tax Act, 1961. If any term(s) or provision(s) of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income Tax Act, 1961, the provisions of Section 2(1B) of the Income Tax Act, 1961 shall

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DIRECTOR

Director



prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modifications will, however, not affect the other clauses of the Scheme.

- 8.2. Upon occurrence of the Effective Date and with effect from the Appointed Date, all taxes (including taxes paid under protest or otherwise) of any nature, duties, cess or any other like payment or deductions made by Transferor Company to any statutory authorities such as income tax, advance tax, Tax Deducted at Source, tax paid under MAT provisions, sales tax, VAT, GST, service tax etc. or any tax deduction / collection at source, Modvat and/ or CENVAT Credit, relating to the period after the Appointed Date up to the Effective Date shall be deemed to have been on account of or paid by Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the passing of the orders on this Scheme by the NCLT upon relevant proof and documents being provided to the said authorities.
- 8.3. All the deduction otherwise admissible to Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (like section 43B, section 40, section 40A etc. of the Income Tax Act 1961) will be eligible for deduction to Transferee Company upon fulfilment of required conditions under the Income Tax Act, 1961.
- 8.4. Any MAT credit available to Transferor Company would get transferred to and be available to Transferee Company for carry forward and set off against tax on future taxable income.
- 8.5. Brought forward tax losses and unabsorbed depreciation of Transferor Company in terms of provisions of section 72A of the Income Tax Act, 1961 shall be allowable for set off against the profits of Transferee Company subject to the fulfilment of conditions prescribed therein.
- 8.6. Transferee Company is expressly permitted to file/revise its income tax, wealth tax, service tax, VAT, GST, Sales tax, Excise, CENVAT/MODVAT and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such returns may have lapsed. Transferee Company is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds including refund/ adjustment of taxes paid under protest or otherwise, advance tax credits, set offs and adjustments relating to their respective incomes / transactions from the Appointed Date. It is specifically declared that all the taxes (including taxes paid under MAT) /duties paid by Transferor Company shall be deemed to be the taxes (including taxes paid under MAT) / duties paid by Transferee Company and Transferee Company shall be entitled to claim credit for such taxes deducted (including taxes paid under MAT) / paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes (including taxes paid under MAT)/duties are in the name of Transferor Company.
- 8.7. As and from the Effective Date, all the tax assessment, proceedings, appeals of whatsoever nature by or against the Transferor Company pending at and / or arising after the Appointed Date and relating to the Transferor Company, shall be continued, and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.
- 8.8. Further, the proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 8.9. Any tax liabilities under the Income Tax Act, 1961, service tax, GST laws, excise duty laws, Central sales tax, applicable state value added tax laws or other applicable laws, Regulations dealing with taxes, duties, levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 8.10. Any refund, under the Income Tax Act, 1961, service tax laws, GST, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws, regulations dealing

For KOTYARK INDUSTRIES LIMITED

For Yamuna Bio Energy Private Limited

  
DIRECTOR

  
Director



with taxes, duties, levies due to Transferor Company consequent to the assessment made on Transferor Company (including any refund for which no credit is taken in the accounts of the Transferor Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.

- 8.11. Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, GST, excise duty, central sales tax, applicable state value added tax, customs duty drawback, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.
- 8.12. Upon the coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

#### 9. FUND RAISING BY ISSUE OF SHARES/ OTHER INSTRUMENTS BY TRANSFEE COMPANY

For the avoidance of doubt, it is hereby clarified that nothing in this Scheme of Arrangement shall prevent the Transferee Company from raising funds by issue of new equity shares and/ or preference shares and/ or any convertible/ nonconvertible instruments and/or in any other manner subject to compliance of Applicable Laws during pendency of this Scheme of Arrangement.

#### 10. EMPLOYEES

- 10.1. On the Scheme becoming effective, all staff, workmen and employees of the Transferor Company, who are in service on the date immediately preceding the Effective Date shall become staff, workmen and employees of the Transferee Company, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. The Transferee 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.
- 10.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of Transferor Company or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the employees of Transferor Company will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

#### 11. CONTRACTS, DEEDS, RESOLUTIONS ETC.

Subject to other provisions contained in this Scheme, all contracts, deeds, understandings, bonds, guarantees, agreements, instruments and writings and benefits of whatsoever nature, if any, to which Transferor Company is a party and subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of Transferee Company and may be enforced by or against Transferee Company as fully and effectually as if, instead of Transferor Company, Transferee Company had been a party thereto.

#### 12. LEGAL PROCEEDINGS

- 12.1. All legal proceedings, including arbitration proceedings, of whatsoever nature by or against the Transferor Company pending and / or arising at the Appointed Date, as and from the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the

For KOTYARK INDUSTRIES LIMITED

For Yamuna Bio Energy Private Limited

  
DIRECTOR

  
Director



Scheme or by anything contained in this Scheme but 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 as if the Scheme had not been made. The Transferee Company undertakes to have, all respective legal or other proceedings initiated by or against the Transferor Company, transferred into its name and to have the same continued, prosecuted and enforced by or against Transferee Company, as the case may be, to the exclusion of Transferor Company.

12.2. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated by or against the Transferor Company, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

12.3. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the business of the Transferor Company.

### 13. ACCOUNTING TREATMENT

13.1. Upon the Scheme being effective, the Transferee Company shall record the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme, at the same values as appearing in the books of the Transferor Company in compliance with the Accounting Standards (AS) 14 "Accounting for Amalgamation", as applicable, and notified under Section 133 of the Act.

13.2. The identity of the reserves of the Transferor Company shall be preserved and they shall appear in the books of the Transferee Company in the same form and manner in which they appear in the books of the Transferor Company.

13.3. The inter-company balances between the Transferee Company and the Transferor Company, if any appearing in the books of the Transferee Company shall stand cancelled.

13.4. Any excess or deficit of the amount of the consideration over the value of the net assets acquired by the Transferee Company, after considering the effect of clauses 13.2 and 13.3 above, shall be adjusted with reserves in the books of the Transferee Company.

13.5. Further, in case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the Retained earnings of the Transferee Company, to ensure that the financial statements of the Transferee Company reflect the financial position based on consistent accounting policy.

### 14. VAILIDITY OF EXISTING RESOLUTIONS, ETC.

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

14.2. Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 180 of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

### 15. COMBINATION OF AUTHORIZED SHARE CAPITAL OF THE TRANSFEE COMPANY

For KOTYARK INDUSTRIES LIMITED

For Yamuna Bio Energy Private Limited

  
DIRECTOR

  
Director



- 15.1. Upon the Scheme coming into effect, the authorised share capital of the Transferor Company shall be added to that of the Transferee Company and in the Memorandum of Association and Articles of Association it shall be automatically stand enhanced without any further. act, instrument, or deed on the part of the Transferee Company, including payment of stamp duty and fees payable to Registrar of Companies, by an amount of Rs. 7,00,00,000 (Rupees Seven Crore Only), and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14, 61, 64 of the Act or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Company on the authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased, to the extent of fees / stamp duty already paid by the Transferor Company.

The capital clause being Clause V of the Memorandum of Association of the Transferee Company shall on the Effective Date stand substituted to read as follows:

*"The Authorised Share Capital of the Company is Rs. 16,00,00,000/- (Rupees Sixteen Crore only) divided into 1,60,00,000/- (One Crore Sixty Lakh Only) equity shares of Rs. 10/- (Rupees Ten Only) each."*

- 15.2. If the merger of Authorized Share Capital of the Transferor Company with the Authorized Share Capital of Transferee Company as envisaged herein is not implemented for any reason, the Board of Directors of the Transferee Company shall have the authority to make any decision relating to the quantum and manner of increase in the Authorized Share Capital of the Transferee Company.

## 16. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of businesses under Clause 5 above and the continuance of proceedings by or against the Transferor Company above shall not affect any transaction or proceedings already concluded by the Transferor Company before 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.

## 17. DISSOLUTION OF TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up on such terms and conditions as the Tribunal may direct or determine.

### PART III GENERAL TERMS AND CONDITIONS

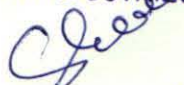
## 18. APPLICATION TO THE NCLT/ TRIBUNAL OR SUCH COMPETENT AUTHORITY

- 18.1. KIL and YBEPL shall, with all reasonable dispatch, make applications/ petitions to the NCLT having its benches at Ahmedabad or any other appropriate/competent authority, if so required under law, for sanctioning the Scheme including convening or seeking exemption to convene meetings of the classes of their respective shareholders and/ or creditors under Section 230 to 232 and other applicable provisions, if any, of the Act, for an order or orders thereof for carrying the Scheme into effect and for dissolution of YBEPL.

- 18.2. Upon the sanction of the Scheme by the NCLT and after the Scheme has become effective, with effect from the Appointed Date, the amalgamation of the YBEPL with KIL in accordance with Section 2(B) of the Income Tax Act, 1961, shall be deemed to have occurred.

For KOTYARK INDUSTRIES LIMITED

For Yamuna Bio Energy Private Limited

  
DIRECTOR

  
Director



## 19. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

- 19.1. KIL and YBEPL by their respective Board of Directors (the "Board", which term shall include any duly constituted committee thereof), may assent to/ make and/or consent to any modifications/ amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable, or appropriate by them (i.e., the Board). KIL and YBEPL by their respective Board be and are hereby authorised to take all such steps as may be necessary, desirable, or proper to resolve any doubts, difficulties, or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise however arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.
- 19.2. If any part of this Scheme hereof is invalid, ruled illegal by any Tribunal/ NCLT of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any of the Companies or their respective shareholders or creditors, in which case the Scheme will be modified to such extent, as will best preserve for the them the benefits and obligations of the Scheme, including but not limited to such part.
- 19.3. The Transferor Company and / or Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them.

## 20. CONDITIONALITY OF THE SCHEME

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

- 20.1. The occurrence of the Appointed Date.
- 20.2. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of KIL and YBEPL as prescribed under the Act or as may be directed by the NCLT or any other appropriate authority as may be applicable except to the extent as may be waived by the NCLT and/or any other competent authority as may be applicable.
- 20.3. The Scheme being approved by special resolution of the shareholders of KIL passed through e-voting and also by the majority of public shareholders of KIL as required under the SEBI Circular. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the votes cast by the public shareholders against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957. "SEBI Circular" means, together, the circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017, circular no. CFD/DIL3/CIR/2017/26 dated 23 March 2017, circular no. CFD/DIL3/CIR/2017/105 dated 21 September 2017, circular no. CFD/DIL3/CIR/2018/2 dated 3 January 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/0000000657 dated 16 November 2021 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/0000000659 dated 18 November 2021, each issued by SEBI.
- 20.4. Obtaining observation letter and no-objection letter from the Stock Exchange in respect of the Scheme, pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable SEBI Circulars.
- 20.5. The sanction of this Scheme by the NCLT under Section 230 to 232 and other applicable provisions, if any, of the Act and the applicable Regulations and subject to such alterations/ modifications/ amendments, as the NCLT may deem fit and direct;
- 20.6. Any other sanction or approval of any governmental or regulatory authority, as may be considered necessary and appropriate by the Board of Directors of the Companies, being

For KOTYARK INDUSTRIES LIMITED



DIRECTOR

For Yamuna Bio Energy Private Limited



Director



obtained, and granted in respect of any of the matters for which such sanction or approval is required;

- 20.7. Certified copy of the Orders of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Gujarat by KIL and YBEPL respectively after obtaining all consents, approvals, permissions, resolutions, agreements, sanctions, and orders necessary thereto.

This Scheme shall become Effective on the date when last of the aforesaid conditions are fulfilled.

## 21. EFFECT OF NON-RECEIPT OF APPROVALS

In the event any of the said sanctions and approvals not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, 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 if specifically provided in the Scheme or as may otherwise arise in law and agreed between some or all of the respective parties to this Scheme.

## 22. COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and other expenses including stamp duty, if any (save as expressly otherwise agreed) arising out of, in connection to or in relation to or incurred in carrying out and implementing this Scheme and to put it into operation shall be borne and paid by the Transferee Company. However, if for any reason whatsoever, the present Scheme is not approved by the NCLT or the Amalgamating Company and/or the Amalgamated Company withdraw from this Scheme as provided in Clause 19.3, all such costs shall be equally borne and paid by the Transferor Company and the Transferee Company.

## 23. DIFFERENCES

In case any doubt or difference or issue (in relation to the Scheme) arises between KIL and YBEPL, any of their shareholders, creditors, employees, or persons, as to the interpretation of any term of the Scheme or implementation of this Scheme, after the Scheme becomes effective, then the Board of Directors of YBEPL shall resolve all such disputes and its decision shall be final and binding on all concerned.

For KOTYARK INDUSTRIES LIMITED



DIRECTOR

For Yamuna Bio Energy Private Limited



Director



