SCHEME OF AMALGAMATION

AMONGST

RITESH SPINNING MILLS LIMITED

AND

RITESH IMPEX PRIVATE LIMITED

AND

H B FIBRES LIMITED

AND

RITESH PROPERTIES AND INDUSTRIES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013)

PREAMBLE

This scheme of amalgamation (*hereinafter referred to as "**Scheme**" as more particularly defined hereinafter in this Scheme*) is presented under the provisions of Section 230 to 232 and other relevant provisions of the Act (*more particularly defined hereinafter in this Scheme*) as may be applicable and applicable rules of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for amalgamation of Ritesh Spinning Mills Limited (**"Transferor Company 1"**), Ritesh Impex Private Limited (**"Transferor Company 2"**) and H B Fibres Limited (**"Transferor Company 3"**) with and into Ritesh Properties and Industries Limited (**"Transferee**

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

Company")with effect from the Appointed Date*(as defined hereinafter)*. In addition, this Scheme also provides for various other matter consequential or otherwise integrally connected herewith.

1. BACKGROUND AND DESCRIPTION OF COMPANIES

1.1 Ritesh Properties and Industries Limited **('RPIL' or the 'Transferee Company')**, is a listed public limited company, incorporated under the provisions of Companies Act, 1956 **("1956 Act")** on February19, 1987 bearing Corporate Identification Number **("CIN")** L74899DL1987PLC027050. The Transferee Company was incorporated as a private company in the name of 'Ritesh Industries Private Limited' and pursuant to change in its constitution, the name of the Transferee Company was changed to 'Ritesh Industries Limited' and fresh certificate of incorporation was issued by the RoC (*as defined hereafter*) dated February 13, 1992. Thereafter, the name of the Transferee Company was again changed to its present name 'Ritesh Properties and Industries Limited' and fresh certificate of incorporation was issued by the RoC (*as defined hereinafter*) dated April 4, 2007.

The registered office of the Transferee Company is situated in the State of Delhi at 11/5B, Pusa Road, New Delhi-110060, India. The correspondence e-mail address of the Transferee Company is ludhiana@catalinabay.com. The equity shares of the Transferee Company are listed on Bombay Stock Exchange-BSE Limited

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

("**BSE**").The Transferee Company is widely engaged in the business of real estate and development of business parks. The Transferee Company is, presently developing an Industrial Park in the name and style of 'Hampton Business Park' located in the State of Punjab at Ludhiana.

1.2 Ritesh Spinning Mills Limited **('RSML' or the 'Transferor Company 1')** is an unlisted public limited company duly incorporated under the provisions of 1956 Act on May31, 1994 bearing CIN-U74899DL1994PLC146637. The registered office of RSML is situated in the State of Delhi at 11/5B, First Floor, Pusa Road, New Delhi-110 060, India. RSML is engaged in the business of spinning, weaving and finishing of textiles. Apart from the aforesaid business, RSML is also engaged in the business of real estate.

1.3 Ritesh Impex Private Limited **('RIPL' or the 'Transferor Company 2')** is a private limited company duly incorporated under the provisions of 1956 Act on April27, 1994 bearing CINU51311DL1994PTC269851. The registered office of RIPL is situated in the State of Delhi at 11/5B, Pusa Road, New Delhi-110 060, India. RIPL is engaged in the business of buying, selling, import, export and acting as a trader of all kinds of readymade garments, cloth, linen, etc. Apart from the aforesaid business, RIPL is also engaged in the business of real estate.

For Ritesh Spinning Mills Limited
Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H.B. Fibres Limited
Director

1.4 H B Fibres Limited (**'HBFL' or the 'Transferor Company 3'**), is an unlisted public limited company incorporated under the provisions of 1956 Act on September 17, 1986 bearing CINU51497DL1986PLC269074.The Transferor Company 3 was incorporated as a private limited company in the name and style of 'Delta Credits Private Limited'. Thereafter, the name of the Transferor Company 3 was changed to its present name 'H B Fibres Limited' and fresh certificate of incorporation was issued by the RoC dated July 19, 2014.The registered office of HBFL is situated in the State of Delhi at 11/5B, Pusa Road, New Delhi-110 060, India. HBFL is engaged in the business of buying, selling, import, export, acting as agents and dealers and suppliers of agricultural and non-agricultural intermediate products, metal products, handicraft, all types of textile and garment related products including silk, jute, hosiery and mixed fabrics etc. Apart from the aforesaid business, HBFL is also engaged in the business of real estate.

*(For the sake of brevity, the Transferor Company 1, Transferor Company 2 and Transferor Company 3 are herein after collectively referred as **'Transferor Companies'**. Further, the Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferee Company are herein after collectively referred as **'Companies'**.)*

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

2. RATIONALE FOR THE SCHEME OF AMALGAMATION

2.1 This Scheme envisages amalgamation of the Transferor Companies with and into the Transferee Company, resulting in consolidation of the businesses of the Transferor Companies in one entity, simplifying its holding structure and strengthening position of amalgamated entity (i.e. Transferee Company) thereby enabling it to harness and optimize synergies of the Transferor Companies. It is intended that the Transferee Company shall have a sharper focus on underlying businesses with an aim of achieving operational efficiencies. Accordingly, consolidation of businesses of Companies would be in the best interests of Companies as well as their respective shareholders and other stakeholders. The proposed amalgamation of Transferor Companies with and into Transferee Company is in line with the current global industry practice to achieve size, scalability, integration, greater financial strength and flexibility thereby maximizing shareholder value and to achieve higher long-term financial returns.

For Ritesh Properties And Industries Ltd
Chairman cum Managing Director

2.2 In addition to the foregoing advantages as mentioned above, the amalgamation would also result in intermediary benefits as stated hereunder:

I. Optimum and efficient utilization of resources either in form of assets and sharing of ancillary facilities;

II. Collaboration and enhancement of competitive strengths of Companies including their financial, human and technological resources;

For Ritesh Spinning Mills Limited
Director

For RITESH INDEX PVT. LTD
Director

For [illegible] Fibres Limited
Director

III. Benefit of obtaining synchronisation of synergies ;

IV. Structured and better management focussing on holistic growth of the businesses.

V. Cost saving by way of reduction of overheads, administrative, managerial and other expenditure and to bring about operational rationalization, efficiency and optimum utilization of various resources.

Further, there is no adverse effect of this Scheme on the directors, key management personnel, promoters, non-promoter members, creditors and employees of theCompanies and the same would be in the best interest of all stakeholders.

Parts of the Scheme:

1. **Part A** deals with definition and share capital of the Companies.
2. **Part B**, *inter-alia*,deals withtransfer and vesting of the assets, liabilities, profits or losses, legal proceedings, employees constituting business of Transferor Companies and consideration, accounting treatment etc. for Amalgamation (*as defined hereinafter*).
3. **Part C**deals with the miscellaneous provisions i.e. application/petition before the Tribunal and conditionality of scheme.

For Ritesh Properties and Industries Ltd.

Chairman cum Managing Director

PART A

3. DEFINITIONS

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

For Ritesh Spinning Mills Limited

Director

For RITESH IMPEX PVT. LTD.

Director

For H. B. Fibres Limited

Director

3.1 **"Act"** means the Companies Act, 2013, and applicable rules thereunder and includes any amendments, statutory re-enactments and modifications thereof for the time being in force.

3.2 **"Amalgamation"** means amalgamation of Transferor Companies with and into Transferee Company in terms of the Scheme (*as defined hereinafter*) in its present form or with any modification(s) as approved by the Tribunal (*as defined hereinafter*).

3.3 **"Applicable Laws"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority (*as defined hereinafter*), having the force of law and as applicable to the Companies.

3.4 **"Appointed Date"**for purposes of this Scheme means 1st April, 2018.

3.5 **"Board of Directors"** or **"Board"** means and includes the respective Boards of Directors of the Transferor Companies and the Transferee Company or any committee constituted by such Board of Directors for the purposes of the Scheme.

3.6 **"Effective Date"** shall be last of the dates on which certified copies of the order of the Tribunal, under section 232 of the Act, sanctioning this Scheme, is filed by Companies with Registrar of Companies *(as defined hereinafter).*

For Ritesh Properties and Industries Ltd.
Chairman cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. E. Fibres Limited
Director

Provided that references in this Scheme to the date of "upon coming into effect of the Scheme" or "upon the scheme becoming effective" or "effectiveness of the Scheme" shall mean Effective Date.

3.7 **"Governmental and Registration Authority"** means any relevant Central, State or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, quasi-judicial body, bureau or instrumentality thereof or arbitral body having jurisdiction over the companies.

3.8 **"Intellectual Property Rights"** or **"IPR"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of Transferor Companies, or in the nature of common law rights of Transferor Companies, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web portals, trade names, logos, trade dress and all applications and registration for the foregoing, and all goodwill associated with the foregoing and symbolized by the foregoing; (b) confidential and proprietary information and trade secrets; (c) published and unpublished works of authorship, and copyrights therein, and registrations and applications therefore, and all renewals, extensions, restorations and reversions thereof; (d) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (e) designs, drawings, sketches; (f) tools, databases, frameworks, customer data, proprietary information, knowledge, any other

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For R.B. Fibres Limited
Director

technology or know-how, licenses, software licenses and formulas; (g) ideas and all other intellectual property or proprietary rights; and (h) all rights in all of the foregoing provided by Applicable Laws.

3.9 **"IT Act"**means the Income Tax Act, 1961 and the rules made there under and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

3.10 **"Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

3.11 **"National Company Law Tribunal"** or **"NCLT"** or **"Tribunal"** means the National Company Law Tribunal, Bench at New Delhi or such other court/tribunal having jurisdiction over Companies involved in the Scheme, depending on the context and applicability.

3.12 **"Record Date"**means the date fixed by the Board of Directors of the Transferee Company or any committee thereof in consultation with the Board of Directors of each of the Transferor Company, for the purpose of determining names of the equity shareholders of the Transferor Companies and the names of compulsorily convertible debenture holders of the Transferor Company 1, who shall be eligible to receive the equity shares in the Transferee Company upon coming into effect of this Scheme.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

3.13 **"Registrar of Companies" or "RoC"** means the 1Registrar of

For Ritesh Spinning Mills Limited
Director

For RITESH TEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

Companies, National Capital Territory of Delhi and Haryana at New Delhi.

3.14 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation among the Transferor Companies, and the Transferee Company and their respective shareholders and creditors pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act in its present form or with any modification(s) made pursuant to the provisions of this Scheme by the Board of Directors of the Transferor Companies and Transferee Company, and/ or as approved or directed by the Tribunal, as the case may be.

3.15 **"SEBI"** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

3.16 **"SEBI Circulars"** means Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Circular No. CFD/DIL3/CIR/2017/105 dated September 21, 2017 and CFD/DIL3/CIR/2018/2 dated January 3, 2018 each issued by the SEBI, and shall include any amendment/ substitution from time to time.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

3.17 **"Transferee Company" or "RPIL"**shall have the meaning as ascribed to it in Clause1.1 of this Scheme.

3.18 **"Transferor Company 1" or "RSML"** shall have the meaning as

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

ascribed to it in Clause1.2of this Scheme.

3.19 "Transferor Company 2"or "RIPL" shall have the meaning as ascribed to it inClause1.3of this Scheme.

3.20 "Transferor Company 3" or "HBFL"shall have the meaning as ascribed to it in Clause1.4of this Scheme.

4. INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant Applicable Laws. In this Scheme, unless the context otherwise requires:

i. references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;

ii. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;

iii. the term "Clause" refers to the specified clause of this Scheme;

iv. references to one gender includes all genders;

v. any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD
Director

For H. B. Fibres Limited
Director

vi. words in the singular shall include the plural and vice versa; and

vii. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.

5. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made pursuant to this Scheme, approved or imposed or directed by the Tribunal as the case may be, as applicable, shall be effective from the Appointed Date, as the case may be, but shall be made operative from the Effective Date.

6. CAPITAL STRUCTURE OF THE COMPANIES

6.1 The share capital of the Companies as at March 31, 2018 is as under:

Company	Authorized Share Capital	Issued Share Capital	Subscribed and Paid up Share Capital
Transferee Company	15,00,00,000/- (1,50,00,000 Equity Shares of Rs.10/- each)	11,75,85,080/- (1,17,58,508 Equity Shares of Rs.10/- each)	11,59,09,580/- (1,15,90,958Equity Shares of Rs.10/- each fully paid up)
Transferor Company-1	2,10,00,000/- (21,00,000 Equity Shares of Rs.10/- each)	50,00,000/- (5,00,000 Equity Shares of Rs.10/- each fully paid up)	50,00,000/- (5,00,000 Equity Shares of Rs.10/- each fully paid up)

For Ritesh Properties and Industries Ltd.

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

Transferor Company-2	5,00,00,000/- (5,000 Equity Shares of Rs.100/-each)	1,08,000/- (1,080 Equity Shares of Rs.100/-each fully paid up)	1,08,000/- (1,080 Equity Shares of Rs.100/-each fully paid up)
Transferor Company-3	5,00,00,000/- (50,00,000 Equity Shares of Rs.10/-each)	10,00,000/- (1,00,000 Equity Shares of Rs.10/-each fully paid up)	10,00,000/- (1,00,000 Equity Shares of Rs.10/-each fully paid up)

Subsequent to March 31, 2018 and till the date of approval of this Scheme by the respective Board of the Companies, there has been no change in the position of authorized, issued subscribed and paid up share capital of any of the Companies.

6.2 It is expressly clarified that until this Scheme becomes effective, Companies are free to alter their authorized, issued, subscribed or paid up share capital as may be required for their respective business requirements, subject to the necessary approvals from their respective Boards and shareholders, if required.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

PART B

7. TRANSFER & VESTING OF ASSETS

7.1 Upon coming into effect of this Scheme and with effect from Appointed Date and subject to provisions of this Scheme including in relation to mode of transfer or vesting, the entire business and whole of the undertaking(s), all property(*ies*), being movable or immovable, tangible or intangible, belonging to Transferor Companies including but not limited to property, plant and equipment, furniture, land and

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

building, (*whether freehold, leasehold, leave and licensed, right of way, tenancies and/or otherwise*), bank balances, bank deposits against bank guarantees, any cheques deposited interest accrued but not due on bank deposits, interest accrued on deposits, security deposits, cash and cash equivalents, cash imprest, sundry debtors, outstanding loans and advances *(short-term and long-term),*if any, recoverable in cash or in kind or for value to be received including but not limited to loans and advances to suppliers, vendors, customers, staff, employees, others, balance with Governmental and Registration Authorities, prepaid expenses(*current and non-current*), fixed assets, inventories, advances, advance income tax, income tax receivables, service tax credit receivables and refunds, Goods and Service Tax (**GST**) credits and refunds including refunds from Governmental and Registration Authorities, capital advances, trade receivables, accrued interest, other current and non-current assets, deferred tax assets, contribution to gratuity fund, permits, approvals, authorizations, telephone connections, telex, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements that are in force on Effective Date and all other interests, benefits, any other permits, approvals or authorizations under the applicable provisions of the applicable tax laws, all past and present investments, if any, including but not limited to investment in quoted and unquoted shares, preference shares, debentures and other securities of all descriptions of any corporate, mutual funds etc., other assets such as

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

computer software and hardware including all types of furniture and fixtures, vehicles (*whether freehold or encumbered*), office equipment including all types of lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, if any, and privileges of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Transferor Companies (hereinafter referred to as "**Said Assets**") and all documents of titles, receipts and easements in relation thereto or improvement, all rights, covenants, continuing rights, titles and interest in connection with Said Assets shall, unless otherwise agreed between Transferor Companies and Transferee Company specifically, be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in Transferee Company in the mode and manner as prescribed in this Scheme on a going concern basis pursuant to provisions of section 230 to 232 of the Act and all other applicable provisions of the Act and pursuant to the orders of the Tribunal or any other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing so as to become on and from Appointed Date, Said Assets of Transferee Company.

For Ritesh Properties and Industries Ltd.
Chairman cum Managing Director

7.2 Without prejudice to the above, in respect of Said Assets of Transferor Companies as are movable in nature or incorporeal

For Ritesh Spinning Mills Limited
Director

For RITESH TEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

property or are otherwise capable of being transferred by delivery or possession or by endorsement and/or delivery, the same shall stand transferred to Transferee Company upon coming into effect of this Scheme and shall upon such transfer become Said Assets of Transferee Company with effect from Appointed Date. In respect of any such assets, rights, titles and interests other than Said Assets referred hereinabove, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company pursuant to an order being made thereof by the Tribunal under section 232 of the Act.

7.3 Without prejudice to the above, in respect of IPR and Said Assets of Transferor Companies, if any, belonging to the Transferor Companies shall stand transferred to and vested and be deemed to be transferred to and vested in the name of Transferee Company without any further act, instrument or deed. Transferee Company, however, shall after the effectiveness of this Scheme, file the relevant intimations with the concerned Governmental and Registration Authorities in relation to Amalgamation, if required, who shall take them on record pursuant to the order of Tribunal.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

7.4 Upon the coming into effect of this Scheme and with effect from the Appointed Date all statutory licenses including but not limited to permits, quotas, approvals, permissions, clearances, incentives, consolidated consent and authorization order and all other business certifications and all other registration certificates issued to

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

Transferor Companies under Applicable Laws including without limitation, Contract Labour Act, 1970, Contract Labour (Regulation and Abolition) Act, 1970, Employees Provident Fund and Miscellaneous Provisions Act, 1952 and/or Gratuity Act, 1972 and pension and/or superannuation fund, retirement fund or benefits and any other funds or benefits created by the Transferor Companies for the Employees, any subsidies, concessions, grants, special reservations, rights, claims, leases, tenancy rights, liberties, benefits under applicable provisions of the IT Act, no-objection certificates, permissions, approvals, consents, quotas, rights, entitlements, trade mark licenses including application for registration of trade mark, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and other benefits or privileges, if any (hereinafter referred to as "**Said Rights and Interests**"), enjoyed or conferred upon or held or availed of and all rights and benefits that have accrued or which may accrue to Transferor Companies, shall, pursuant to provisions of section 232(4) of the Act and other applicable provisions of Applicable Laws, for the time being in force, without any further act, instrument or deed, upon the Scheme becoming effective, be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in and be available to Transferee Company so as to become on and from Appointed Date, Said Rights and Interests, effective and enforceable on the same terms and conditions to the extent permissible under Applicable Laws for the time being in force and shall be duly and

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH EXPORT LTD.
Director

For H. B. Fibres Limited
Director

appropriately mutated or endorsed by the concerned Governmental and Registration Authorities therewith in favour of Transferee Company.

7.5 Upon coming into effect of this Scheme, all vehicles (*whether freehold or encumbered),*if any, of any nature whatsoever, of Transferor Companies, shall stand transferred to and vested in and/or be deemed to be transferred and vested in Transferee Company without any further act, instrument or deed or any further payment of fees, charge or securities and upon application being made by Transferee Company, the relevant Governmental and Registration Authorities shall mutate and register the said vehicles in the name of Transferee Company as if the vehicles had originally been registered in the name of Transferee Company.

8. TRANSFER & VESTING OF LIABILITIES

8.1 Upon coming into effect of this Scheme and with effect from Appointed Date, all secured and unsecured liabilities, borrowings (long-term and short-term), including liabilities of every kind, nature and description, whatsoever and howsoever arising, whether present or future, including contractual liabilities, guarantees, (long-term and short term), security deposits received, loans, contingent liabilities, deferred tax liabilities, non-trade payables, creditors of fixed assets, letters of credit, etc., if any, statutory liabilities/dues (whether disputed or undisputed), any kind of commitment or any other

For Ritesh Properties and Industries Ltd
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

advances received (whether disclosed or undisclosed), duties, term loans from banks and financial institutions, bank overdraft, long term loan and advances from customers, statutory dues payable, government dues for taxes, contribution to provident fund, labour welfare funds, trade payables due to dues of micro and small enterprises, staff and other creditors, employee benefit payable, long term or short term provisions, advance from customers, provisions including provisions for tax, expenses payable, taxes and obligations of Transferor Companies, other current and non-current liabilities, if any, along with any charge, encumbrance, lien or security thereon, if any, and those arising out of proceedings of any nature (hereinafter referred to as "**Said Liabilities**") shall also be transferred to and vested in or be deemed to be transferred to and stand vested, without any further act, instrument or deed in Transferee Company pursuant to provisions of section 230 to 232 of the Act and all other applicable provisions of Act and other Applicable Laws so as to become Said Liabilities of Transferee Company and further, it shall not be necessary to obtain separate consent of any third party or any person who is a party to any contract or arrangement by virtue of which such Said Liabilities may have arisen and are to be transferred to Transferee Company.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

a) All loans raised and utilized or incurred as part of Said Liabilities, if any, by the Transferor Companiesanytime after the Appointed Date,

For Ritesh Spinning Mills Limited
Director

For RITESH AGRE PVT. LTD.
Director

For H. B. Fibres Limited
Director

but prior to the Effective Date, shall be deemed to be transferred to and vested with Transferee Company without any further act or deed.

b) The borrowing limits, if any, of Transferee Company shall, without any further act or deed, stand enhanced by an amount being the aggregate of Said Liabilities ofTransferor Companies which are being transferred to Transferee Company pursuant to this Scheme and Transferee Company shall not be required to pass any separate resolutions or comply with any provisions of the Act, in this regard.

c) It is clarified that insofar Said Assets of Transferor Companiesare concerned which have the security or charge, encumbrance or lien, if any, relating to securing the Said Liabilities or any other obligations of Transferor Companies, shall, without any further act or deed continue to relate to such Said Assets after Effective Date in the name of the Transferee Company and shall not extend to any other assets of Transferee Company. However, it is expressly clarified that any such security or charge or encumbrance or lien shall not be entered to as security in relation to any assets of the Transferee Company, save to the extent as may be guaranteed or warranted by the terms of the existing security arrangements to which Transferor Companies are party and consistent with the joint obligations assumed by them under such arrangement or otherwise as may be agreed to by Board of Transferee Company.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

d) Transferee Company, at its own cost, shall take all steps as may reasonably be necessary to enter into new or amended loan or security agreements or instruments and the like as may be necessary with the lender, such that Transferee Company shall assume sole responsibility for repayment of borrowings.

8.2 With effect from Effective Date and until such time names of the bank accounts of Transferor Companies are replaced with that of Transferee Company, Transferee Company shall be entitled to operate the existing bank accounts of Transferor Companies, in so far, as may be necessary. The banks shall also allow and honour cheques or other bills issued in the name of Transferor Companies on and from Effective Date.

8.3 Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of movable and immovable properties of Transferor Companies with Transferee Company occurs by virtue of this Scheme itself, Transferee Company, at any time upon coming into effect of this Scheme, may execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement or memorandum of understanding to which Transferor Companies are parties, on Effective Date, as may be necessary to be executed in order to give formal effect to the above provisions. Transferee Company shall under the provisions of this Scheme and/or subject to necessary approvals required under Applicable

For Ritesh Properties and Industries Ltd.
Chairman cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

Laws be deemed to be authorized to execute any such writings on behalf of Transferor Companies to carry out or perform all such formalities or compliance, referred to above.

9. TRANSFER OF PROFITS, INCOMES AND EXPENDITURE

9.1 All profits or incomes including interest on deposits with banks, interest income etc., accruing or arising to Transferor Companies or expenditure (*including the effect of taxes, if any*) to Transferor Companies on and any time after the Appointed Date shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure as the case may be of Transferee Company.

10. COMPLIANCE WITH IT ACT

10.1 This Scheme complies with the conditions relating to "amalgamation" as specified under Section 2(1B) of the IT Act. If any terms and provisions of this Scheme are found or interpreted to be inconsistent with the said provisions at a later date, including resulting from an amendment of Applicable Laws or for any other reason whatsoever, then the provisions of such amended section(s) of the IT Act or any other Applicable Laws shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(1B) of the IT Act or any other Applicable Law, as may be amended from time to time. Such modification shall however not affect other parts of this Scheme.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH EXPEX PVT. LTD.
Director

For H. B. Flores Limited
Director

11. LEGAL PROCEEDINGS

11.1 Upon coming into effect of this Scheme, all suits, actions and other proceedings including legal and taxation proceedings (*before any statutory or quasi-judicial authority or tribunal or any court*), if any, by or against Transferor Companies pending and/or arising on or before Effective Date shall be continued and/or be enforced by or against Transferee Company as effectually and in the same manner and extent as if the same has been instituted and/or pending and/or arising by or against Transferee Company.

11.2 It is expressly specified that Transferee Company undertakes to have all legal or other proceedings initiated by or against Transferor Companies as referred above, be transferred to its name and shall have the same continued, prosecuted and enforced in its name.

12. INTER COMPANY TRANSACTIONS

Without prejudice to the above provisions, upon the Scheme becoming effective and with effect from Appointed Date, all inter-company transactions, inert-se amongst the Transferor Companiesor inter-se between Transferor Companies and Transferee Company,including but not limited to:

a) any loans, advances, and other obligations (*including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever*

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH EXPORT PVT. LTD.
Director

For H. B. Fibres Limited
Director

form), which are due or outstanding or which may at any time in future; or

b) any agreement/memorandum of understanding, executed amongst the aforesaid Companiesshall stand cancelled as on Effective Date and shall be of no effect and the Transferor Companies and the Transferee Companies shall have no further obligation outstanding in that behalf.

13. TREATMENT OF TAXES

13.1 Upon this Scheme becoming effective and with effect from Appointed Date, all taxes, duties, cess payable by Transferor Companies*(including under the IT Act, Customs Act, 1962 or any other Applicable Laws),* accruing and relating to Transferor Companies from Appointed Date onwards, including but not limited to advance tax payments, tax deducted at source (**"TDS"**), minimum alternate tax (**"MAT"**), any refund and interest due thereon on any credits, claims and exemptions shall, for all purposes be treated as advance tax payments, TDS, MAT, refund and interest due on any such credits, claims and exemptions or refunds, as the case may be, of Transferee Company.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

13.2 Upon the Scheme becoming effective, the Transferee Company is permitted to file or revise thereturns of the Transferor Companiesincluding but not limiting to TDS return, sales tax/value added tax returns, service tax returns, GST returns and all other

For Ritesh Spinning Mills Limited
Director

For RITESH EXPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

relevant returns filed with the Governmental and Registration Authorities for the period either prior to the Appointed date and/ or period commencing on and from the Appointed Date, to claim refunds and interest due, if any thereon, credits, exemptions pursuant to provisions of this Scheme, notwithstanding that the time period prescribed for filing/ revision of such return may have elapsed.

13.3 Upon this Scheme becoming effective, all unavailed credits, claims and exemptions, any refunds, interest due there on, benefit of carried forward losses and other statutory benefits, if any, in respect of income tax (including but not limited to TDS, tax collected at source, advance tax, MAT credit, book and tax losses etc.), cenvat, customs, value added tax, sales tax, service tax, GST etc. to which Transferor Companies is entitled to, prior to the period of Appointed Date, shall be available to and vest in Transferee Company, without any further act or deed.

13.4 TDS, service tax, GST, if any, deducted by and/or charged to Transferee Company under the IT Act or any other statute for the time being in force, in respect of the payments made by Transferee Company to Transferor Companies on account of inter-company transactions, assessable for the period commencing from Appointed Date shall be deemed to be the advance tax/ service tax/ GST etc. paid by Transferee Company and credit for such advance tax/ service tax/ GST etc. shall be allowed to Transferee Company

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H.A. Fibres Limited
Director

notwithstanding that certificates or challans for advance tax/ service tax/ GST etc. being in the name of Transferor Companies and not in the name of Transferee Company. Upon this Scheme becoming effective, Transferee Company is permitted to file and/ or revise tax returns of the Transferor Companies (including but not limited to income tax returns, withholding tax returns, TDS certificates, sales tax returns, value added tax returns, service tax returns, GST returns and other tax returns) for the period commencing on and from Appointed Date, to claim refunds and interest due, if any thereon, credits, exemptions pursuant to provisions of this Scheme, notwithstanding that the time period prescribed for filing/ revision of such return may have elapsed.

13.5 Without prejudice to generality of aforesaid, any concessional or statutory forms under applicable tax laws, or local levies issued or received by Transferor Companies, if any, in respect of period commencing from Appointed Date shall be deemed to be issued or received in the name of Transferee Company and benefit of such forms shall be allowable to Transferee Company in the same manner and to the same extent as would have been available to Transferor Companies.

For Ritesh Properties and Industries Ltd.

Chairman cum Managing Director

13.6 Transferee Company shall file the relevant intimations, if required under Applicable Laws, at its own cost, for the record of concerned Governmental and Registration Authorities who shall take them on

For Ritesh Spinning Mills Limited

Director

For RITESH IMPEX PVT. LTD.

Director

For H. B. Fibres Limited

Director

file. Transferee Company shall be deemed to be authorized to execute any such writings on behalf of Transferor Companies in order to carry out or perform all such formalities or compliances referred to above on part of Transferor Companies.

13.7 All the expenses incurred by Companies in relation to Amalgamation as per the terms and conditions of this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to Transferee Company in accordance with section 35DD of the IT Act over a period of 5 years beginning with the previous year in which this Scheme becomes effective.

13.8 Any refund under the tax laws due to Transferor Companies consequent to the assessments made on Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by Transferee Company. The concerned Governmental and Registration 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 Tribunal upon relevant proof and documents being provided to the said authorities.

For Ritesh Properties and Industries Ltd.

Chairman cum Managing Director

14. TREATMENT OF EMPLOYEES

14.1 Upon coming into effect of this Scheme:

For Ritesh Spinning Mills Limited

Director

For RITESH IMPEX PVT. LTD.

Director

For H. B. Fibres Limited

Director

a) All staff, workmen and employees who are in employment of Transferor Companieson Effective Date shall become staff, workmen and employees of Transferee Company with effect from Appointed Date on the basis that:

(i) their employment shall be deemed to have been continuous and not interrupted by reasons of the said transfer; and

(ii)terms and conditions of their employment after such transfer shall not in any way be less favorable to them than those applicable to them immediately preceding the said transfer.

b) It is expressly provided that as far as provident fund, employee state insurance plan scheme, gratuity scheme/trusts, leave encashment, superannuation scheme, compensated absences, unavailed leave scheme or any other special scheme(s) or fund(s) or trust(s), provisions for benefits created or existing, if any, for benefit of staff/workmen/employees of Transferor Companies are concerned, upon coming into effect of the Scheme, Transferee Company shall stand substituted for Transferor Companiesfor all purposes whatsoever, related to administration or operation of such scheme(s) or fund(s) or trust(s) and intent that all rights, duties, powers and obligation(s) of Transferor Companies in relation to such scheme(s) or fund(s) or trust(s) shall become those of Transferee Company. It is clarified that employment of employees of Transferor Companies will be treated as having been continuous for the purpose of the aforesaid scheme(s) or fund(s) or trust(s) including for the purposes

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

of payment of any retrenchment compensation and other terminal benefits. Transferee Company shall file relevant intimations with the concerned Governmental and Registration Authorities who shall take the same on record and endorse the name of Transferee Company for Transferor Companies. Upon this Scheme becoming effective, all contributions to such scheme(s) or fund(s) or trust(s) created or existing for the benefit of such employees of Transferor Companies shall be made by Transferee Company in accordance with the provisions of such scheme(s) or fund(s) or trust(s) and Applicable Laws.

15. CONTRACTS, DEEDS, RESOLUTIONS, ETC.

15.1 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 any of Transferor Companies are a party and are subsisting or having effect on 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 Companies, Transferee Company had been a party thereto or beneficiary or obligee thereto or thereunder.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

15.2 Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from Appointed Date, all consents, agreements, permissions, all statutory

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Flores Limited
Director

or regulatory licences, certificates, insurance covers, clearances, authorities, power of attorney given by, issued to or executed in favour of Transferor Companies or any instrument of whatsoever nature including various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed or availed by any Transferor Companies, granted by any Governmental or Registration Authorities, or by any other person, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of 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.

15.3 All resolutions of Transferor Companies which are valid and subsisting on Effective Date, shall continue to be valid and subsisting and be considered as resolutions of Transferee Company and if any such resolutions have any upper monetary or any other limits imposed under provisions of the Act, then the said limits shall apply mutatis mutandis to such resolutions and shall constitute the aggregate of the said limits in Transferee Company.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

16. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

16.1 With effect from Appointed Date and upto and including Effective Date, the Transferor Companies shall be deemed to carry on all their businesses and other incidental matters for and on account of and in

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

trust for the Transferee Company with reasonable diligence and due business prudence in the same manner as carried before and shall not without the prior written consent of Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any of such Said Assets or such Said Rights and Interests or IPR and their business undertaking(s) or any part thereof, save and except in each case:

a) If it is in the ordinary course of business of Transferor Companies; or

b) If the same is expressly permitted by this Scheme.

17. SAVING OF CONCLUDED TRANSACTION

17.1 Where any of the Said Liabilities of Transferor Companies, as on Appointed Date, transferred to the Transferee Company have been discharged by the Transferor Companies after Appointed Date and prior to Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

17.2 Without prejudice to anything mentioned above or anything contained in this Scheme, transfer and vesting of all business undertakings of the Transferor Companies as per this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before Appointed Date or after Appointed Date till Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things made, done and executed by the Transferor Companies as acts,

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For R. B. Fibres Limited
Director

deeds, matters and things made, done and executed by or on behalf of the Transferee Company.

17.3 All the Said Liabilities, incurred or undertaken by Transferor Companies after Appointed Date and prior to Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company to the extent they are outstanding on Effective Date, shall, upon the coming into effect of this Scheme and pursuant to provisions of section 232 and any other applicable provisions of the Act, shall without any further act, instrument or deed be and stand transferred to and/or vested in and/ or be deemed to have been transferred to and vested in Transferee Company and shall become Said Liabilities of Transferee Company.

18. CONSIDERATION

18.1 Upon this Scheme coming into effect and upon transfer and vesting of the business and undertaking of the Transferor Companies in the Transferee Company, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by Transferee Company as follows, without further application, act or deed, shall issue and allot to each of:

a. the shareholders of Transferor Company 1 (other than the shares already held therein immediately before the amalgamation by Transferee Company, its nominee or subsidiary company), shares in proportion of **4(Four) Equity**

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

shares of face value of Rs. 10(Rupees Ten) each in Transferee Company for every 1(One) Equity share of face value of Rs.10/- (RupeesTen)each held by them in Transferor Company 1 pursuant to this Scheme of Amalgamation.

b. the holders of compulsorily convertible debentures of Transferor Company 1 (other than the shares already held therein immediately before the amalgamation by Transferee Company, its nominee or subsidiary company), shares in proportion of **4(Four) Equity shares of face value of Rs. 10(Rupees Ten) each in Transferee Company for every 1 (one) equity share of Rs. 10/- (Rupees Ten) to be issued as per terms and conditions of conversion of compulsorily convertible debentures of face value of Rs.5,000/- (Rupees Five Thousand)bearing interest of 4% (Four) per annum** each held by them in Transferor Company 1 pursuant to this Scheme of Amalgamation.

c. the shareholders of Transferor Company 2 (other than the shares already held therein immediately before the amalgamation by Transferee Company, its nominee or subsidiary company), shares in proportion of **1,756(One Thousand Seven Hundred and Fifty Six) Equity shares of face value of Rs. 10(Rupees Ten) each in Transferee Company for every 1 (One) Equity share of face value of Rs.100/- (Rupees Hundred)** each held by them in Transferor

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

Company 2 pursuant to this Scheme of Amalgamation.

d. the shareholders of Transferor Company 3 (other than the shares already held therein immediately before the amalgamation by Transferee Company, its nominee or subsidiary company), shares in proportion of **14(Fourteen) Equity shares of face value of Rs. 10(Rupees Ten) each in Transferee Company for every 1 (One) Equity shares of face value of Rs.10/- (Rupees Ten)** each held by them in Transferor Company 3 pursuant to this Scheme of Amalgamation.

18.2 For arriving at the share exchange ratio as outlined above, the Companies have considered the Valuation Report submitted by Santosh K Singh & Co., Chartered Accountants , New Delhi (Firm Registration No. 019877N) along with fair opinion of M/s 3Dimension Capital Services Limited, SEBI registered Merchant Banker (Registration No. INM000012528) on such valuation.

18.3 Any fraction arising out of allotment of equity shares pursuant to the Scheme shall be rounded off to the nearest whole integer.

18.4 The ratio in which equity shares of the Transferee Company is to be issued and allotted to the equity shareholders of the Transferor Companies is herein referred to as the **"Share Exchange Ratio".** In the event that the Transferee Company restructures its share capital by way of share split/consolidation/issue of bonus

For Ritesh Properties and Holdings Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

shares/conversion of preference shares etc. during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of such corporate actions.

18.5 The issue and allotment of shares to shareholders of Transferor Companies, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 42 and Section 62 of the Companies Act, 2013 and that the consent of shareholders of Transferee Company to the Scheme shall be sufficient for purposes of issuance and allotment of equity shares to the shareholders of Transferor Companies.

18.6 The said Equity Shares in the capital of Transferee Company be issued to the shareholders of Transferor Companies including the holders of Compulsory Convertible Debentures in the Transferor Company 1, shall rank *pari passu* in all respects, with the existing Equity shares in Transferee Company from the Appointed Date.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

18.7 Upon the Scheme becoming effective and subject to the above provisions, the shareholders of Transferor Companies including the holders of compulsory convertible Debentures in the Transferor Company 1 (other than the shares already held therein immediately before the amalgamation by Transferee Company) as on the record date shall receive new share in their demat accounts.

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

18.8 Upon the issue and allotment of new shares in the capital of Transferee Company to the shareholders of Transferor Companies including the holders of compulsory convertible debentures in the Transferor Company 1, the shares in relation to the shares held by them in Transferor Companies shall be deemed to have been cancelled.

18.9 Subject to provisions of the Securities Contracts (Regulations) Act, 1956, Securities and Exchange Board of India Act, 1992 and Listing Regulations, the Transferee Company shall take steps for listing of New Equity Shares on the Stock Exchange. The New Equity Shares shall remain frozen in the depositaries system till relevant directions in relation to listing/ trading are given by the Stock Exchange.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

19. CLUBBING OF AUTHORIZED SHARE CAPITAL

19.1 The authorized share capital of the Transferor Companies as on March 31, 2018is as follows:

Authorized Share Capital	**Amount in Rs.**
Transferor Company 1	2,10,00,000/-
Transferor Company 2	5,00,000/-
Transferor Company 3	5,00,00,000/-
Total	**7,15,00,000/-**

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H.B. Fibres Limited
Director

19.2 Upon the Scheme coming into effect and with effect from Appointed Date, the authorized share capital of Transferor Companies amounting to Rs. 7,15,00,000/- (Rupees Seven Crore and Fifteen Lakhs only) as on Effective Date shall stand transferred to and be added with the authorized share capital of Transferee Company. The Transferee Company shall file necessary application with the ROC along with the Scheme as sanctioned by the Tribunal, indicating the revised authorized share capital and pay the prescribed fee due on such increase in authorized share capital of Rs.7,15,00,000/- (Rupees Seven Crore and Fifteen Lakhs only) after claiming set off of fee already paid by the Transferor Companies on their authorized share capital. It is further clarified that the Transferee Company shall not be required to pay any other additional fees (*including fee payable to ROC*, except as may be required as per the applicable provisions of the Act) or stamp duty or any other charges under any Applicable Laws for time being in force.

For Ritesh Properties and Industries Ltd.
Chairman cum Managing Director

19.3 Consequent to transfer of the existing authorized share capital of Transferor Companies on Effective Date in accordance with the aforementioned; Clause V of the memorandum of association of Transferee Company shall be substituted as necessary.

19.4 It is hereby clarified that the consent of shareholders of Transferee Company to the Scheme shall be sufficient for purposes of effecting the amendment in the Memorandum of Association and Articles of

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

Association of Transferee Company and that no further resolution under sections 13, 14 and 61 of the Act and any other applicable provisions of the Act would be required to be separately passed, nor any additional registration fee etc. be payable by Transferee Company. However, Transferee Company shall file the amended copy of its Memorandum of Association and Articles of Association with the Registrar of Companies within a period of 30 (Thirty) days from Effective Date and the Registrar of Companies shall take the same on record.

19.5 If required, the Transferee Company shall take necessary steps to increase its authorized share capital on or before the Effective Date so as to make it sufficient for allotment of shares, to the shareholders of transferor companies, in consideration of amalgamation after considering the combined authorized share capital of Transferee Company.

20 ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per the "Indian Accounting Standard (Ind AS) 103 for Business Combination" prescribed under section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time such that:

20.1 Transferee Company shall, record all the assets and liabilities,

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

including reserves of the Transferor Company vested in it pursuant to this Scheme, at their respective book values as appearing in the books of Transferor Company on the Appointed Date.

20.2 Inter-se-investment, if any, in the share capital between the Companies as appearing in the books of accounts of Transferee Company shall stand cancelled and there shall be no further obligation / outstanding in that behalf.

20.3 The loans and advance or payables or receivables of any kind, held inter-se, if any between Transferor Companies and Transferee Company, as appearing in their respective books of accounts shall stand discharged.

20.4 Transferee Company shall record in its books of accounts, all transactions of Transferor Companies in respect of Said Assets and Said Liabilities, income and expenses, from Appointed Date to Effective Date.

20.5 The difference between the share capital issued by the Transferee Company and the net assets of the Transferor Company acquired would be adjusted in the capital reserves of the Transferee Company. Also, the difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the capital reserves of the Transferee Company.

For Ritesh Properties & Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

20.6 If at the time of amalgamation, Transferor Company and Transferee Company have conflicting accounting policies, a uniform accounting policy shall be adopted by Transferee Company following the amalgamation. The effects on the financial statements of any changes in accounting policies should be reported in accordance with the applicable accounting standards.

21 DISSOLUTION OF TRANSFEROR COMPANIES

Upon approval of this Scheme,Transferor Companies shall, without any further act or deed, shall stand dissolved without winding up.

PARTC

GENERAL TERMS & CONDITIONS

22 APPLICATION TO TRIBUNAL

The Companies shall, with all reasonable dispatch, make necessary applications/petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the Tribunal for seeking sanction of this Scheme.

For Ritesh Properties and Holdings Ltd.
Chairman Cum Managing Director

23 MODIFICATION OR AMENDMENTS TO THE SCHEME

23.1 Subject to approval by the Tribunal, Board of each of Companies may assent to any modifications/ amendments including withdrawal/

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

termination of the Scheme or to any other conditions or limitations that the Tribunal or any Governmental and Registration Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by their respective Boards. Each of Companies shall authorize their respective Boards to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of the Tribunal or any Governmental and Registration Authority of any other competent authority or otherwise howsoever arising out of or by virtue of the Scheme and/or to give effect to and to implement the Scheme, in part or in whole, and/or any matter concerned or connected therewith.

23.2 Further, it is clarified that the initial consent of the shareholders and creditors (both secured and unsecured) of Companies to this Scheme shall in itself be deemed to be sufficient to authorize the operation of the abovementioned clause of this Scheme and any subsequent alteration would not require a fresh note of consent from such shareholders and creditors.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

24 CONDITIONALITY OF THE SCHEME

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

24.1 The requisite consent, approval or permission from BSE and/or SEBI pursuant to Regulation 37 of the Listing Regulations read with SEBI Circulars and Regulation 11 and 94 of the Listing Regulations which

For Ritesh Spinning Mills Limited
Director

For RITESH EXPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

by law or otherwise may be necessary for the implementation of this Scheme in compliance with the provisions of SEBI Circulars;

24.2 The approval of the Scheme by the respective requisite majorities in number and value of the shareholders and/or creditors (where applicable) of the Companies in accordance with Section 230 to 232 of the Act;

24.3 As clause (a) of Para (1)(A)(9) of Annexure I of SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 is applicable to the Scheme; therefore, the Transferee Company shall provide voting by the public shareholders through e-voting and shall disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the resolution for approving the Scheme.

24.4 As clause (b) of Para (1)(A)(9) of Annexure I of SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 is applicable to this Scheme, this Scheme shall be acted only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

24.5 The Scheme being sanctioned by the Tribunal in terms of Sections 230 to 232 and other relevant provisions of the Act and the requisite orders of the Tribunal;

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD
Director

For H. B. Fibres Limited
Director

24.6 Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the relevant Registrar of Companies by Transferor Companies and Transferee Company as per the provisions of the Act.

25 EFFECT OF NON-RECEIPT OF APPROVALS

25.1 In the event of any of the said sanctions and approvals referred in the Scheme not being obtained and/ or complied with and/or satisfied, 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.

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

For Ritesh Properties and Industries Ltd.
Chairman Cum Managing Director

For Ritesh Spinning Mills Limited
Director

For RITESH IMPEX PVT. LTD.
Director

For H. B. Fibres Limited
Director

25.3 The Board of Directors of the Transferor Companies and Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

26 COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly provided)Transferor Companies and Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by Transferee Company.

Certified True Copy

For Ritesh Properties and Industries Ltd.

Chairman Cum Managing Director

For Ritesh Spinning Mills Limited

Director

For RITESH IMPEX PVT. LTD.

Director

For H. B. Fibres Limited

Director

Legal Consultants of the Scheme:

Vaish Associates, Advocates,

11th Floor, Mohan Dev Building,

13, Tolstoy Marg, New Delhi-110001