JASCH INDUSTRIES LIMITED

JASCH

Works:
43/5, Bahalgarh Road, P.O. Bahalgarh – 131021
Distt. Sonipat (Haryana) INDIA
Phone : 0130-2216666
Email. accounts@jasch.biz **Website.** www.jaschindustries.com,
CIN : L24302DL1985PLC383771

EXTRACT OF RELEVANT RESOLUTIONS PASSED AT THE INDEPENDENT DIRECTORS COMMITTEE MEETING OF JASCH INDUSTRIES LIMITED HELD ON SATURDAY, THE JULY 24, 2021 AT OFFICE OF THE COMPANY AT 43/5, BAHALGARH ROAD, SONIPAT, HARYANA – 131 021 AT 11:30 AM

"RESOLVED THAT:

A. Pursuant to the provisions of sections 230 to 232 read with section 66 and other applicable provisions, if any, of the Companies Act, 2013 and related applicable rules and regulations (including any statutory modification(s) or re-enactment(s) thereof), relevant provisions of the Memorandum of Association and Articles of Association of the Company, and subject to the requisite approvals of shareholders and creditors of the Company and other approvals and permissions of the Stock Exchange(s), Securities and Exchange Board of India ("SEBI"), National Company Law Tribunal ("NCLT"), and other regulatory or government bodies, as may be necessary under the applicable laws, the consent of the Committee of Independent Directors be and is hereby accorded to the proposal of a Scheme of Arrangement between Jasch Industries Limited (the "Demerged Company" or the "Company") and Jasch Gauaging Technologies Limited (CIN: U33111DL2021PLC381513) (the "Resulting Company") and their respective shareholders and creditors (hereinafter referred to as "Scheme" or "the Scheme" or "Scheme of Arrangement"), whereby it proposes for, the demerger of the "Demerged Undertaking" of the Demerged Company into the Resulting Company, being advantageous and beneficial to the shareholders of the Company, and the terms of the Scheme being fair and reasonable, initialled by the Company Secretary for the purpose of identification, be and is hereby approved, subject to the approval by all the applicant companies to the Scheme.

FURTHER RESOLVED THAT the share entitlement ratio report of Mr. Abhinav Aggarwal, Registered Valuer (Securities or Financial Assets) and the Fairness Opinion received from Shreni Shares Private Limited, a Category I Merchant Banker, be and are hereby taken on record.

B. FURTHER RESOLVED that for the purposes of the Scheme, the Committee of Independent Directors noted that the following, in this meeting:

a. The Scheme shall be effective from opening hours of April 01, 2021 or such other date as may be approved by the Hon'ble NCLT and / or the Regulatory Authorities (hereinafter referred to as "the Appointed Date").

b. In consideration of the proposed Scheme, the Resulting Company will issue and allot its equity shares, to each shareholder of the Demerged Company, whose names appear in

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the register of members of Demerged Company on the record date as may be fixed for the purpose by the Board of Resulting Company in consultation with the Demerged Company (hereinafter referred to as the "Record Date"), in the following manner:

"For every 5 (five) equity shares of face value Rs. 10 (Rupees ten only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (two) equity shares of face value Rs. 10 (Rupees Ten only) each as fully paid-up in the Resulting Company. Accordingly, a total of 45,32,000 (forty five lakh thirty two thousand) new equity shares of face value Rs. 10 (Rupees Ten only) each will be issued by the Resulting Company."

f. Pursuant to demerger of the Demerged Undertaking, the issued, subscribed and paid-up equity share capital of the Demerged Company would be reorganised by way of reduction and cancellation of the paid up equity share capital of the Demerged Company to the extent of allotment of shares by the Resulting Company to the shareholders of the Demerged Company in the following manner:

The existing issued, subscribed and paid up Equity share capital of the Demerged Company shall be reduced from Rs. 11,33,00,000 (eleven crore thirty three lakh only) divided into 1,13,30,000 (one crore thirteen lakh thirty thousand) Equity Shares of Rs. 10 (Rupees Ten only) each fully paid up to Rs. 6,79,80,000 (Rupees six crore seenty nine lakh eighy thousand) divided into 67,98,000 (sixty seven lakh ninety eight thousand) Equity Shares of Rs. 10 (Rupees Ten only) each and that such reduction be effected by cancellation of 45,32,000 (forty five lakh thirty two thousand) Equity Shares of Rs. 10 each amounting to Rs. 4,53,20,000 (Rupees four crore fifty three lakh twenty thousand) which is equivalent to the extent of allotment of shares by the Resulting Company to the shareholders of the Demerged Company.

Accordingly, an Equity share holder holding 5 (five) Equity shares of Rs. 10 each in the Demerged Company, then post reduction, will get 3 (three) Equity shares of face value Rs. 10 each. The face value of Equity share will remain at Rs. 10 only.

C. FURTHER RESOLVED THAT the certificate of M/s Mukesh A Mittal & Co., Chartered Accountants, the statutory auditor of the Company, to the effect that the accounting treatment contained in the Scheme is in compliance with the applicable Accounting Standards notified by Central Government under Section 133 of the Act and other generally accepted accounting principles, be and is hereby taken on record.

D. FURTHER RESOLVED that the Committee of Independent Directors has considered and noted the draft Scheme and Certificate from the Statutory Auditors, Share Entitlement Ratio Report and the Fairness Opinion and formed the opinion that the draft Scheme is not detrimental to the shareholders of the Company and recommends the draft Scheme to the Board of Directors of the Company for approval.

Naveel Kumar

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E. FURTHER RESOLVED that any one of the Directors or Company Secretary be and are hereby severally authorized to sign and execute the Report of the Committee of Independent Directors and do such other acts, deeds matters and things as may be required in connection with the above resolution."

Certified True Copy

For Jasch Industries Limited

Naresh Kumar

JASCH INDUSTRIES LTD.

Naresh Kumar
DIN 06884903
Chairman of the Committee of Independent Directors

Date: Sonipat

Place: 24-07-2021

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REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF JASCH INDUSTRIES LIMITED RECOMMENDING THE SCHEME OF ARRANGEMENT BETWEEN JASCH INDUSTRIES LIMITED ("DEMERGED COMPANY" OR "COMPANY") AND JASCH GAUGING TECHNOLOGIES LIMITED ("RESULTING COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

MEMBERS PRESENT:

Shri. Naresh Kumar	- Chairman of the Committee of Independent Directors
Shri. Kuldeep Singal	- Member of the Committee of Independent Directors
Shri K.L. Khetarpaul	- Member of the Committee of Independent Directors
Smt. Neetu	- Member of the Committee of Independent Directors

IN ATTENDANCE:

Shri. S.K. Verma	- Company Secretary

BY INVITATION:

Shri. M. Paliwal	- Chief Financial Officer

1. BACKGROUND

1.1 Committee of Independent Directors of Jasch Industries Limited (the 'Demerged Company' or the 'Company') recommending Scheme of Arrangement between Jasch Industries Limited and Jasch Gauging Technologies Limited (the "Resulting Company") (collectively referred to as "Applicant Companies") and their respective shareholders and creditors. The Committee took note of the Scheme placed before it.

1.2 The Company is incorporated under the provisions of the Companies Act, 1956. The equity shares of the Company are listed on BSE Limited.

Neetu Kumar

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1.3 This report is made in order to comply with the requirements of the SEBI (Listing and Obligations and Disclosure Requirements), Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, and after considering the following documents before the Committee of Independent Directors:

e. Draft Scheme, duly initialed by the Company Secretary of the Company for the purpose of identification; and

f. The certificate of M/s Mukesh A Mittal & Co.,, Chartered Accountants, the statutory auditor of the Company, to the effect that the accounting treatment contained in the Scheme is in compliance with the applicable Accounting Standards notified by Central Government under Section 133 of the Act and other generally accepted accounting principles;

g. The Share Entitlement Ratio Report dated 9 December 2020 recommending the share entitlement ratio (hereinafter referred to as "Valuation Report") on the Scheme, provided by Mr. Abhinav Aggarwal, a Registered Valuer;

h. The Fairness Opinion dated July 23, 2021 on the share entitlement ratio recommended by the Valuation Report for the purpose of the Scheme provided by M/s. Shreni Shares Private Limited, SEBI registered Merchant Banker.

2. PROPOSED SCHEME OF ARRANGEMENT

2.5 Need and Rationale of the Scheme of Arrangement

(B) The Committee of Independent Directors noted the rationale and need for demerger of the Demerged Undertaking from the Demerged Company into Resulting Company, as provided in the draft scheme of arrangement, and which is reproduced hereunder:

"The underlying business rationale and objectives are as follows:

7. *Demerged Undertaking and the Remaining Undertaking have their own set of strengths and dynamics in the form of nature of risks, competition, challenges, opportunities and business methods, leading to different growth potentials. Hence, segregation of the undertakings would enable a focused management to explore the potential business opportunities effectively and efficiently;*

8. *The demerger would result in achieving efficiency in operational processes by designing and implementing independent strategies specifically designed for the three businesses and in optimizing profitability. This would in turn enhance the shareholders' wealth.*

9. *Targeting and attracting new investors with specific focus and expertise in the separate businesses, thereby providing the necessary funding impetus to the long-term growth strategy of the two businesses;*

10. *The demerger will help in growth of Demerged Company and Resulting Company by providing scope of independent collaboration and expansion.*

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11. *Consequent to the demerger of the Demerged Undertaking, the issued, subscribed and paid up equity share capital of the Demerged Company will also be reorganized by way of reduction of such proportion of the paid up equity share capital of the Demerged Company which has been issued as fully paid up equity shares in the Resulting Company as on the Record Date. The reorganization and consequent reduction of the paid up share capital of the Demerged Company will result in better returns to the investors and improved financial ratios.*

12. *Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE. Therefore, the existing shareholders of the Demerged Company would hold the shares of two listed entities after the Scheme becoming effective. Such shareholders would then be able to choose whether they want to remain invested in either or both the businesses / operations of the Demerged Company, giving them flexibility in managing their investment in the two businesses having differential dynamics.*

The Board of Directors of the Demerged Company and the Resulting Company believe that the Scheme is in the best interests of the respective entities and their respective stakeholders including its minority shareholders for the reasons aforesaid.

2.6 The salient features of the Scheme are as under:

a. Scheme of Arrangement between Jasch Industries Limited ("Demerged Company" or "Company") and Jasch Gauging Technologies Limited ("Resulting Company") (collectively referred to as "Applicant Companies"), and their respective shareholders and creditors (hereinafter referred to as "Scheme" or "the Scheme" or "Scheme of Arrangement"), whereby it proposes for, the demerger of the "Demerged Undertaking" of the Demerged Company into the Resulting Company.

b. Appointed Date for the purpose of this Scheme means opening hours of April 01, 2021 or such other date approved by the National Company Law Tribunal, for the demerger of Demerged Undertaking and transfer and vesting thereof into the Resulting Company.

c. In consideration of the proposed Scheme, the Resulting Company will issue and allot equity shares, to each shareholder of the Demerged Company, whose names appear in the register of members of Demerged Company on the record date as may be fixed for the purpose by the Board of Resulting Company in consultation with the Demerged Company (hereinafter referred to as "the Record Date"), in the following manner:

"For every 5 (five) equity shares of face value Rs. 10 (Rupees ten only) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (two) equity shares of face value Rs. 10 (Rupees Ten only) each as fully paid-up in the Resulting Company. Accordingly, a total of 45,32,000 (forty five lakh thirty two thousand) new equity shares of face value Rs. 10 (Rupees Ten only) each will be issued by the Resulting Company."

d. Pursuant to demerger of the Demerged Undertaking, the issued, subscribed and paid-up equity share capital of the Demerged Company would be reorganised by way of reduction

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and cancellation of the paid up equity share capital of the Demerged Company to the extent of allotment of shares by the Resulting Company to the shareholders of the Demerged Company in the following manner:

The existing issued, subscribed and paid up Equity share capital of the Demerged Company shall be reduced from Rs. 11,33,00,000 (eleven crore thirty three lakh only) divided into 1,13,30,000 (one crore thirteen lakh thirty thousand) Equity Shares of Rs. 10 (Rupees Ten only) each fully paid up to Rs. 6,79,80,000 (Rupees six crore seenty nine lakh eighy thousand) divided into 67,98,000 (sixty seven lakh ninety eight thousand) Equity Shares of Rs. 10 (Rupees Ten only) each and that such reduction be effected by cancellation of 45,32,000 (forty five lakh thirty two thousand) Equity Shares of Rs. 10 each amounting to Rs. 4,53,20,000 (Rupees four crore fifty three lakh twenty thousand) which is equivalent to the extent of allotment of shares by the Resulting Company to the shareholders of the Demerged Company.

Accordingly, an Equity share holder holding 5 (five) Equity shares of Rs. 10 each in the Demerged Company, then post reduction, will get 3 (three) Equity shares of face value Rs. 10 each. The face value of Equity share will remain at Rs. 10 only.

e. The Share Entitlement Report dated July 23, 2021 recommending the share entitlement ratio (hereinafter referred to as "Valuation Report") on the Scheme provided by the Valuers.

f. The Fairness Opinion dated July 23, 2021 on the share entitlement ratio recommended by the Valuation Report for the purpose of the Scheme provided by M/s. Shreni Shares Private Limited, SEBI registered Merchant Banker.

g. The certificate of M/s Mukesh A Mittal & Co., Chartered Accountants, the statutory auditor of the Company, to, the effect that the accounting treatment contained in the Scheme is in compliance with the applicable Accounting Standards notified by Central Government under Section 133 of the Act and other generally accepted accounting principles.

h. The equity shares proposed to be allotted by the Resulting Company will be listed only on BSE Limited, a recognized stock exchange having nationwide trading platform.

i. The effectiveness of the Scheme is conditional upon the fulfillment of the actions specified in the Scheme, which include:

   i. No-objections being received from the Stock Exchanges, in terms of the SEBI Circular;
   ii. Approval of the requisite majorities of the various classes of shareholders and creditors of the Company and the Resulting Company;
   iii. Obtaining such other approvals and sanctions as may be required by applicable law or contract, in respect to the Scheme;
   iv. Sanction of the Scheme by the Hon'ble NCLT; and
   v. Certified copies of the order of the Hon'ble NCLT sanctioning the Scheme being filed with the RoC, through joint application by applicant Companies.

Nandkumar

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2.7 Impact of the scheme on the shareholders are as under:

a. The shareholders of the Demerged Company as on the Record Date shall be entitled to equity shares in the Resulting Company basis the share entitlement ratio determined by Mr. Abhinav Aggarwal, Registered Valuer, in the valuation report submitted to this Committee. Subsequent to which the shareholders of the Demerged Company in addition to the shares held in the Demerged Company shall also become shareholders in the Resulting Company.

b. The Scheme will not be detrimental to the interest of the shareholders of the Company.

3. RECOMMENDATION OF THE COMMITTEE OF INDEPENDENT DIRECTORS

After consideration of the Draft Scheme and other related documents, as placed, the Committee of Independent Directors formed an opinion that implementation of the Draft Scheme of Arrangement is not detrimental to the shareholders of the Company.

The Committee of Independent Directors hereby recommends the Draft Scheme for favorable consideration by the Board of Directors, Stock Exchange(s), SEBI and other regulatory authorities."

By Order of the Committee of Independent Directors

For **Jasch Industries Limited**

Certified True Copy

For Jasch Industries Limited

Naresh Kumar

JASCH INDUSTRIES LTD.

Naresh Kumar
DIN 06884903
Chairman of the Committee of Independent Directors

Date: Sonipat

Place: 24-07-2021