# SCHEME OF REDUCTION OF CAPITAL

**ADROIT INFOTECH LIMITED**

**AND**

**ITS**

**SHAREHOLDERS**

**UNDER SECTION 66 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016**

ADROIT INFOTECH LIMITED Hyderabad



Regd Off : # Plot No. 7A, MLA Colony, Road # 12, Banjara Hills, Hyderabad, Telangana, India - 500034.
Phone : +91-40 23552284/85/86 Fax : +91-40 23552283 I Web : www.adroitinfotech.com
CIN : L72300TG1990PLC011129

## SCHEME FOR REDUCTION OF CAPITAL OF ADROIT INFOTECH LIMITED

This Scheme is divided into the following parts:

(a) Part I · deals with the Definitions and Interpretations;

(b) Part II – deals with details of Adroit Infotech Limited (including its capital structure);

(c) Part III – deals with reduction of share capital of Adroit Infotech Limited; and

(d) Part IV – deals with the General Clauses and other Terms and Conditions;

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## PART- I

## DEFINITIONS AND INTERPRETATIONS

### i. DEFINITIONS

1.1. In this Scheme, unless inconsistent with the subject or context thereof the following expressions shall have the following meanings:

1.1.1. "**Act**" means The Companies Act, 2013 and shall include any rules, regulations, orders, statutory modification, amendment and re - enactment thereof from time to time.

1.1.2. **"Accumulated Losses"** means the losses that have been brought forward from previous years and having such amount as shown in the audited standalone financials of the Company as on March 31, 2020.

1.1.3. **"Adroit Infotech Limited" / "Company"** was originally incorporated as a Private Company under the name and style of "Adroit Infotech Private Limited" in the state of Maharashtra on December 14, 2000 under the provisions of the Companies Act, 1956, vide Certificate of Incorporation bearing number 25-15633 of 2000, issued by the office of the Registrar of Companies, Pune. Subsequently, the Company merged with Sphere Global Services Limited under the scheme of amalgamation approved by Honorable High court of Andhra Pradesh and thereafter the name of the merged entity changed to Adroit Infotech Limited vide Fresh Certificate of Incorporation issued by the office of the Registrar of Companies, Andhra Pradesh and Telangana on May 18, 2017. The Corporate Identity Number (CIN) of the Company is L72300TG1990PLC011129. The Registered Office of the Company is situated at # Plot No. 7A, MLA Colony, Road No. 12, Banjara Hills Hyderabad Hyderabad- 500034, Telangana. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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1.1.4. **"Applicable Regulation"** means SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015; National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 as amended from time to time or any other applicable Laws, Acts or Rules for the time being in force.

1.1.5. **"Appointed Date"** means such other date as the National Company Law Tribunal, Hyderabad Bench ("**NCLT**"), Regional Director (Southern Region), Registrar of Companies, Hyderabad or any other competent or applicable authority may direct.

1.1.6. **"Appropriate Authority"** shall, for the purpose of this Scheme, mean the National Company Law Tribunal, Hyderabad Bench and/or Regional Director (Southern Region), Registrar of Companies, Hyderabad or any other competent Court or applicable authority.

1.1.7. **"Board" or "Board of Directors"** means Board of Directors of the Company (which expression shall be deemed to include any Committee(s) of Directors constituted by the Board thereof).

1.1.8. **"BSE"** shall mean Bombay Stock Exchange Limited.

1.1.9. **"Designated Stock Exchange" or "DSE"** shall means a Stock Exchange which is chose by the Company in accordance with SEBI Circular Ref. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and for the purpose of the Scheme, BSE Limited is the DSE.

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1.1.10. **"Effective Date"** means the dates on which certified copies of the order(s) of the National Company Law Tribunal, Hyderabad Bench (**"NCLT"**), Regional Director (Southern Region), Registrar of Companies, Hyderabad or any other competent Court or applicable authority is issued towards the Reduction of Share Capital as per this Scheme.

1.1.11. **"Equity Shares"** means fully paid equity shares of Rs. 10 (Rupees Ten) each issued by the Company.

1.1.12. **"NSE"** shall mean National Stock Exchange of India Limited.

1.1.13. **"Record Date"** (for Reduction of Capital) means the date to be fixed by the Board of Directors of the Company for the purpose of reckoning names of the Equity hares holders who shall be entitled to new share certificate. upon coming into effect, the Reduction of Share Capital as per this Scheme.

1.1.14. **"SEBI"** shall mean the Securities and Exchange Board of India.

1.1.15. **"Securities Premium Account"** shall mean the Securities Premium Account maintained by the Company in accordance with the provisions of Section 52 of the Companies Act, 2013 and having such amount as shown in the audited Standalone Financials of the Company as on March 31, 2020.

1.1.16. **"Scheme"** means this Scheme of Reduction of Capital in its present form or with any modification(s) approved or imposed or directed by the National Company Law Tribunal, Hyderabad Bench (**"NCLT"**), Regional Director (Southern Region), Registrar of Companies, Hyderabad or any other competent Court or Authority.

1.1.17. **"Stock Exchanges"** shall mean NSE and BSE collectively.

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1.1.18. **"Shareholder"** means a person holding Equity Shares who is registered as a member in the Register of Members of the Company.

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

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## PART-II

## DETAILS OF THE COMPANY

1. Adroit Infotech Limited was originally incorporated as a Public Limited Company under the name and style "Rusoday Mutual Funds Limited" in the state of West Bengal on March 19, 1990, under the provisions of Companies Act, 1956, vide Certificate of Incorporation Number 01-11129 of 1989-90, issued by the office of the Registrar of Companies, Andhra Pradesh. The Company obtained the Certificate of Commencement of Business dated March 23, 1990. Subsequently, the Company changed its name to "Rusoday Finance Limited", vide Fresh Certificate of Incorporation dated June 04, 1996 issued by the office of the Registrar of Companies. The Company once again changed its name to "Global Fiscals Limited", vide Fresh Certificate of Incorporation dated June 06, 1996, issued by the office of the Registrar of Companies. The Company once again changed its name to "Arham Fiscals Limited", vide Fresh Certificate of Incorporation dated April 28, 1997 issued by the office of the Registrar of Companies. The Company once again changed its name to "Color Chips (India) Limited", vide Fresh Certificate of Incorporation dated January 05, 2000 issued by the office of the Registrar of Companies. The Company once again changed its name to "Sphere Global Services Limited", vide Fresh Certificate of Incorporation dated October 1, 2014 issued by the office of the Registrar of Companies. As per the Scheme of Amalgamation approved by Hon'ble High Court of Telangana dated 17-10-2017, Adroit Infotech Private Limited, a Company incorporated under the Companies Act, 1956 having its registered office in Pune, Maharashtra was amalgamated with Sphere Global Services Limited and there after the name of the merged Company was changed to Adroit Infotech Limited.

2. The Corporate Identity Number (CIN) of the Company is L72300TG1990PLC011129.

3. The Registered Office of the Company is situated at # Plot No. 7A, MLA Colony, Road No. 12, Banjara Hills Hyderabad Hyderabad- 500034, Telangana.

4. The Company is listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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5. The main objects of the Company as per Memorandum of Association are:

a. To carry on the business of Software designing, development, customization, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions and to import, export, sell, purchase, distribute, host(in data centers or over the web) or otherwise deal in own and third party computer based applications, services and solutions, provide or take up Information technology related assignments on sub-contracting basis, offering services on-site/ offsite or through development centers using owned/ hired or third party infrastructure and equipment, providing recruitment and HR related services, providing and taking personnel/ consultants/ Packages/ services through applications services provider mode via internet or otherwise, to undertake IT enabled services like SAP, ERP, CRM, call Center Management, Medical and legal transcription, data processing, Back office processing, Accounting, HR and payroll processing, Insurance claims processing, credit card processing, loams and letters of credit processing, cheque processing, data warehouse and database management, to carry on the business of manufacturing, dealing and maintenance of computer hardware, computer systems and assemble data processors, program designs and to buy, sell or otherwise deal in such hardware and software packages and all types of tabulating machine, accounting machines, calculators, computerised telecommunication systems and network, their components, spare parts, equipment's and devices and to carry on the business of establishing, running and managing institutions, school, and academics for imparting education in computer technology, offering equipment, solutions and services for Networking and network management, data centre management and in providing consultancy services in all above mentioned areas.

b. To develop, provide, undertake, design, import, export, distribute and deal in Systems and application software for microprocessor based information systems, off shore software development projects, internet service provider, and solutions in all areas of

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application including those in Emerging niche segments like Internet and Intranet website applications solutions software enterprise, resource planning, e- commerce, value added products and other business applications either for its own use for sale in India or for export outside India and to design and develop such systems and application software for and on behalf of manufacturers owners and users of computer, telecom, digital, electronic equipment's in India or elsewhere in the world.

c. To manufacture, sell, export, import all kinds of electric & electronic components capable of being used in Electrical & mechanical and electronic Industries including Computers telecommunications to carry our software research and development, to design and develop system software, application software and any other software in India and abroad to start Integrated services Digital Local Network ( ISDLAN ) dial for data Centres technology parks, wide area network Internet, user net, cyber café services in India and abroad.

d. To carry on the business of providing Logistics Services, material management, transportation, warehousing distribution and marketing of goods and to provide storage and protection of goods against rain, fire and other natural or manmade calamities and to act as representative, Agent, Sub Agent, Commission Agent of Indian and foreign Companies, Firms, persons, states and other bodies Corporates and to represent them before the different authorities Corporates and bodies and to act as their Sales, purchase representatives and to render services to them for transporting warehousing, distributing, and maintaining all types of goods and equipment's in good conditions supplied by the Principals, to carry on Agency business including that of freight agents, steamer agents, chartering agents, clearing and forwarding agents, commission agents and bunkering agents and to work as Ship Broker and Charterers. To establish, organize, manage, run, charter, conduct, contract, develop, handle, own, operate and to do business as fleet carriers, transporters, in all its branches on land, air, water, & space, for transporting goods, in all modes including bulk and containers, articles, or things or heavy and over dimensional cargo, on all routes and lines on National and International level subject to law in force through all sorts of carries like trucks, lorries, trawlers, dumpers, coaches, tankers, tractors, haulers, jeeps, trailers, motor buses, omnibuses,

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motor taxies, railways, tramways, aircrafts, hovercrafts, rockers, space shuttles, ships, vessels, boats, barges and so on whether propelled by petrol, diesel, electricity, steam oil, atomic power or any other form of power. To establish, organize, manage, run, charter, conduct, contract, develop, handle, own operate material Handling equipment's and to carry on the business of clearing and forwarding agents, courier and cargo handlers, handling and haulage contractors, warehousemen, common carriers by land, rail, water and air, container agents, to handle goods and passengers within the country and outside and to carry on the business of tour and travel operators and to act as customs agents, wharfingers, landing agents, stevedores and longshoremen.

## 6. Capital Structure of the Company

The Capital structure of the Company as per the audited financial statements as on March 31, 2020 are as under:

| Particulars | Amount (Rs.) |
|---|---|
| **Authorized Equity Share Capital** | |
| 33,94,15,000 Equity Shares of Rs.10 each | 39,41,50,000 |
| **Total** | **39,41,50,000** |
| **Issued, Subscribed and Paid-up Equity Shares Capital** | |
| 1,82,67,372 Equity Shares of Rs.10 each | 18,26,73,720 |
| **Total** | **18,26,73,720** |

Subsequent to the above date, there has been no change in the Authorised Issued, Subscribed and Paid up share Capital of the Company.

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## 7. Compliance with tax laws

The Scheme has been drawn up to comply with the provisions of the Income Tax Act, 1961, if and to the extent applicable. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the Act at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of the Income Tax Act, 1961.

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## PART-III

### A. RATIONALE AND PURPOSE OF REDUCTION

1. The Company has incurred substantial losses since FY 2017-18 and has not been able to scale its full potential for growth and profitability. As per the Audited Financial Statements for the Financial Year ended March 31, 2020, the Company has accumulated losses amounting to Rs. 14,85,58,000 (Rupees Fourteen Crores, Eighty Five Lacs, Fifty Eight Lacs). The said accumulated losses have wiped off the value represented by the share capital. Thus, the financial statements more specifically the net worth of the Company are not reflective of the financial position of the Company.

2. By article 12 of the Articles of Association of the Company, the Company is authorised to reduce its share capital in any manner and in accordance with the provisions of the Act.

3. In the above context, the Company, in accordance with Section 52 and Section 66 and other applicable provisions of the Companies Act, 2013 read with Regulation 37 and other applicable Regulations of SEBL (LODR) Regulation, 2015 and the National Company Law Tribunal (Procedure For Reduction Of Share Capital Of Company) Rules, 2016, for undertaking financial reconstruction of Company whereby the accumulated losses of Rs. 14,85,58,000 (Rupees Fourteen Crores, Eighty Five Lacs, Fifty Eight Lacs):

    a. To be set off against the Securities Premium Account to the extent of Rs.2,40,00,000 (Rupees Two Crore Forty Lakhs); and
    b. To be set off against the Share Warrant Forfeiture Account to the extent of Rs.50,00,000 (Rupees Fifty Lacs); and
    c. The Share Capital shall stand cancelled to the extent of Rs.11,95,58,000 (Rupees Eleven Crores Ninety Five Lacs and Fifty Eight Thousand).

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4. The Scheme seeks to provide further that no shareholder shall be entitled to a fraction of a share and all fractional entitlements resulting from the reduction shall be aggregated into whole shares and the number of shares so arising shall be held by a Trustee appointed by the Board, who shall dispose-off the said shares in the market at the best available price in one or more lots. The Trustee shall hold the net sale proceeds of all such shares after deducting there from all costs, charges and expenses of such sale and shall thereafter distribute such sale proceeds to the members of the Company in proportion to their entitlements.

5. A shareholder who is holding 100 (One Hundred) Equity Shares of Rs.10 (Rupees Ten) each aggregating to Rs.1,000 (Rupees One Thousand) shall hold (after reduction by 65.45%) 34 (Thirty Four) Equity Shares of Rs.10 (Rupees Ten) each aggregating to Rs. 340 (Rupees Three Hundred and Forty). A shareholder will also get entitlement from sale proceed from Trustee appointed for 0.55 fraction shares. The revised structure of the Share Capital of the Company shall be as specified in the below mentioned clause of the Scheme.

6. The Company is not intending to call for any additional amount from any of the existing shareholders after reduction of capital as per the present Scheme.

7. Under section 52 of the Companies Act, 2013, the balance in the Securities Premium Account can only be utilized for purposes specified therein, and any utilization of Securities Premium Account for other purposes would be construed as reduction in capital and the provisions of Section 66 of the Companies Act, 2013 would accordingly be applicable in respect of such reduction.

8. In view of the accumulated carry forward losses and the eroded networth that the Company's Balance Sheet is not reflecting ts actual value and with the future prospect of growth and value addition to the shareholders. The Company has proposed to clean its books thereby enabling the Company to raise future resources for the expansion programs that have been considered for development, which would require huge amount of investment both in terms of equity as well as debt.

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9. Due to huge accumulated losses, the financial statements do not reflect the turnaround in the business of the Company. Thus, with a view to ensure that-

i. The financial statements of the Company reflect its true and fair financial position; and

ii. To obliterate the share capital being lost and not represented by available assets of the Company, it is necessary to carry out reduction of share capital of the Company.

iii. The proposed reduction of share capital in the manner proposed herein would enable the Company to rationalize its capital structure and present a true and fair financial position of the Company, commensurate with its business and assets.

iv. The proposed restructuring under the Scheme, if approved, would enable the Company to explore opportunities for the benefit of its Shareholders, including in the form of dividend payments in terms of the applicable law.

v. The Scheme, if approved may enable the Company to avail business opportunities that it was unable to take advantage of, because of it experiencing Accumulated Losses.

vi. The proposed Scheme will enable the Company to use amount which is lying unutilized in the Securities Premium Account of the Company in an effective manner for the benefit of the Company.

vii. The Scheme if approved would provide greater flexibility to the Company in raising funds either from the Capital Market or from any Bank/Financial Institutions in the form of ~~Equity~~ or Debt, depending upon the business needs of the Company.

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viii. Hence, the proposed reduction of share capital is in the interest of the Company and its shareholders, creditors and all other stakeholders.

10. The Scheme is merely a reduction in the Share Capital of the Company prepared in terms of Section 52 and Section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable) and does not envisage transfer, conveyance or vesting of any of the properties and/or liabilities of the Company to any person or entity. Consequently, the order of the NCLT approving the Scheme will not attract any stamp duty in this regard under the applicable provisions of the Indian Stamp Act, 1899.

11. The reduction of share capital (including Securities Premium Account) does not entail diminution of any liabilities of the Company in respect of any unpaid capital not entails payment to any Shareholder of any paid-up capital. Further, the reduction of share capital (including Securities Premium Account) does not result in any prejudice to the Shareholders, creditors, or any other stakeholders of the Company nor for that matter adversely affect the ordinary operations of the Company or its ability to honour its commitments or to pay its debt in the ordinary course of its business.

12. The consent of the members of the Company to this Scheme of reduction of capital of the Company shall be taken through a resolution under the provisions of Section 52 and Section 66 and other applicable provisions of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure For Reduction Of Share Capital Of Company) Rules, 2016 and any other applicable provisions.

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## B. EFFECT OF THE SCHEME

1. The proposed reduction of capital pursuant to the Scheme, by reducing the share capital, Securities Premium Account and Share Warrant Forfeiture Account of the Company against its accumulated losses, shall be reflected in the books of accounts of the Company, on the Effective Date, in the following manner:

| S.No | Particulars | Issued, Subscribed and Paid up Equity Shares (of Rs. 10 each) | Issued, Subscribed and Paid up Share Capital (Rs.) |
|---|---|---|---|
| 1. | Before Reduction | 1,82,67,372 | 18,26,73,720 |
| 2. | Reduction by 65.45% | 1,19,55,800 | 11,95,58,000 |
| 3. | After Reduction | 63,11,572 | 6,31,15,720 |

2. The Authorised Share Capital of the Company consisting of Equity Shares of Rs. 39,31,50,000 (Rupees Thirty Nine Crores, Thirty One Lacs and Fifty Thousand) divided into 3,93,15,000 (Three Crores Ninety Three Lacs and Fifteen Thousand) Equity Shares of Rs.10 (Rupees Ten) each, remains the same, even after the Scheme is fully implemented.

3. The below table reflects the pre-reduction and post-reduction of Securities Premium Account of the Company against its Accumulated Losses:

| S.No | Particulars | Pre-Reduction (Rs.) | Proposed Reduction (Rs.) | Post Reduction (Rs.) |
|---|---|---|---|---|
| 1. | Securities Premium Account | 2,40,00,000 | 2,40,00,000 | 0 |
| 2. | Profit and Loss (Dr.) i.e. Accumulated Losses | 2,40,00,000 | 2,40,00,000 | 0 |

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4. The below table reflects the pre-reduction and post-reduction of Share Warrant Forfeiture Account of the Company against its Accumulated Losses:

| S.No | Particulars | Pre-Reduction (Rs.) | Proposed Reduction (Rs.) | Post Reduction (Rs.) |
|---|---|---|---|---|
| 1. | Share Warrant Forfeiture Account | 50,00,000 | 50,00,000 | 0 |
| 2. | Profit and Loss (Dr.) i.e. Accumulated Losses | 50,00,000 | 50,00,000 | 0 |

5. The aforesaid reduction is proposed to be effected by reducing the number of shares. Whereas the face value of each fully paid up Equity Shares shall remain unchanged i.e. Rs.10 (Rupees Ten) only.

6. The Company shall not be required to use the words "AND REDUCED" as part of its corporate name and such use is dispensed with.

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## PART IV

### A. CONDITIONS OF SCHEME

The Scheme is conditional upon and subject to:

a. The Scheme being approved by requisite majority of members of the Company as required under the Act;

b. The requisite sanctions and approvals under the applicable law including but not limited to approvals, sanctions required under the SEBI Circular Ref. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be required by law in respect of this Scheme, being obtained;

c. The Scheme being approved by the NCLT under Section 52 and Section 66 of the Companies Act, 2013 read with National Company Law Tribunal (Procedure For Reduction Of Share Capital Of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable);

d. The certified copy of the above order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Hyderabad.

### B. COSTS, CHARGES, TAXES AND EXPENSES

All past, present and future costs, charges, expenses, taxes, duties, levies and fees, if any, arising out of or in connection with or incidental to or incurred in carrying out and implementing the provisions of and giving effect to the Scheme, shall be borne and paid by the Company and all above costs shall be treated as costs relating to the Scheme.

### C. EMPLOYEES

The employees of the Company shall, in no way, be affected by the proposed reduction of share capital, as there is no transfer of employees under the Scheme. On the Scheme becoming effective, all the employees of the Company shall continue with their employment without any break or interruption in their services, on the same terms and conditions on which they are engaged as on the Effective Date.

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## D. CREDITORS

The reduction of equity share capital will not cause any prejudice to the creditors of the Company. The creditors of the Company are, in no way affected by the proposed reduction of equity share capital, as there is no reduction in the amount payable to any of the creditors and no compromise or arrangement is contemplated with the creditors. Further, there is no actual cash outflow. Thus, the proposed adjustment would not, in any way, affect the operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.

## E. CONTRACTS, DEEDS BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, Deeds, Bonds, Debentures, Agreements and other instruments of whatever nature to which the Company is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Company as the case may be, and shall be enforced as fully as effectually as before such reduction.

## F. CONDUCT OF BUSINESS OF COMPANY

The Scheme does not involve any financial outlay/outgo and therefore, would not affect the ability or liquidity of the Company to meet its obligations/commitments in the normal course of business. Further this Scheme would also not in any way adversely affect the ordinary operations of the Company during the course or after the approval of reduction of capital.

## G. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature by or against the Company are pending, the same shall not abate, be discontinued or be in any way prejudicially affected by the capital reduction, but such proceedings may be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Company before such capital reduction.

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## H. DETAILS OF DIRECTORS AND PROMOTERS

The details of Directors and Promoters of the Company along with their addresses are mentioned herein below:

| S. No | Name of the Promoters/Directors | Designation | Date of Appointment | DIN/PAN | Occupation |
|---|---|---|---|---|---|
| 1 | Mr. Sudhakiran Reddy Sunkerneni | Managing Director | 30/09/2015 | 01436242 | Business |
| 2 | Mr. Sunder Raj Nyaypathi | Independent Director | 29/07/2019 | 01679215 | Business |
| 3 | Mrs. Sunitha Kuchakulla | Independent Director | 21/05/2016 | 07502066 | Business |
| 4 | Mr. Venkat Lakshma Reddy Patlola | Independent Director | 24/07/2017 | 01108707 | Business |
| 5 | Sridhar Pyata Reddy | Additional Director | 01/09/2020 | 07268714 | Business |
| 6 | Ms. Shradha Somani | Company Secretary | 11/05/2019 | AXNPS7775G | Service |

## I. APPLICATION TO THE NCLT

This involves reduction of share capital as contemplated by Article 12 of the Articles of Association of the Company and approvals of the Hon'ble National Company Law Tribunal, Hyderabad Bench, Telangana under section 52 and section 66 of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure For Reduction Of Share Capital Of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extend applicable) are to be sought as a measure of legal compliance, transparency, prudence and extra caution.

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## J. MODIFICATION OR AMENDMENTS TO THE SCHEME

1. The Board of the Company acting themselves or through authorized persons, may consent to any modifications or amendments of the Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose which may otherwise be considered necessary, desirable or appropriate and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

2. For the purpose of giving effect to this Scheme or to any modification thereof the Board of the Company acting themselves or through authorized persons is authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

3. It is clarified that if any modifications are required post satisfaction of the conditions precedent mentioned below and the Scheme having been made effective, the Effective Date shall not be affected by any such modifications that might be required to be made and the Effective Date for such modified Scheme shall be same as the date on which Scheme was made effective prior to the modifications.

## K. DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) hereto approved or imposed or directed by the Hon'ble National Company Law Tribunal, Hyderabad Bench, shall be effective from the Appointed Date but shall be operative from the Effective Date.

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## L. EFFECT OF NON RECEIPT OF APPROVAL/SACTIONS

1. In the event of any aforesaid sanction and approvals not being obtained and/or the resolution not being sanctioned by the Hon'ble National Company Law Tribunal, Hyderabad Bench and/or the order(s) not being passed as aforesaid, the Scheme shall become null and void and the Company shall bear and pay the costs, charges and expenses for/or in connection therewith.
2. In the event of any condition or amendment or modification that may be imposed by the Hon'ble National Company Law Tribunal, Hyderabad Bench or any competent authority, or if the Board of Directors of the Company decides, they shall be at liberty to withdraw from the Scheme unconditionally.

## M. SEVERABILITY

If, in the opinion of the Board, any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of other parts or provisions of the Scheme. If any part of this Scheme here of is invalid, ruled illegal by any appropriate authority 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 there by, unless the deletion of such part shall cause this Scheme to become materially adverse, in which case the Board shall attempt to bring a suitable modification to the Scheme. The Board shall be entitled to revoke, cancel and declare the Scheme to have no effect, if the Board is of the view that the Company into effect of the Scheme would have adverse implications on the Company.

## N. DESIGNATED STOCK EXCHANGE

The Designed Stock Exchange for interaction with SEBI shall be BSE Limited.

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## O. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY

1. The Equity Share Capital written off as per above shall be utilized for writing off the accumulated losses of the Company as on the Effective Date and the Company shall pass appropriate entries as per the applicable accounting policies and accounting standards as regards accounting for the reduction of capital and writing off the accumulated losses of the Company on the Effective Date.
2. The balance of Share Premium account shall be utilized for writing off the accumulated losses of the Company as on the Effective Date and the Company shall pass appropriate entries as per the applicable Accounting Policies and Accounting Standards as regards accounting for the reduction of capital and writing off the accumulated losses of the Company on the Effective Date.
3. The balance of Share Warrant Forfeiture account shall be utilised for writing off the accumulated losses of the Company as on the Effective Date and the Company shall pass appropriate entries as per the applicable accounting policies and accounting standards as regards accounting for the reduction of capital and writing off the accumulated losses of the Company on the Effective Date.

## P. FRACTIONAL SHARES

In the event, if, after giving effect to the reduction of the equity shares of the Company (as mentioned above), a shareholder becomes entitled to a fraction of an equity share of the Company, the Company shall not issue such fractional shares/ share certificates as the case maybe to such member/ beneficial owner, but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated Equity Shares directly to a trustee nominated by the Board in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the Trustee may in its sale discretion decide and on such sale, shall pay and distribute the net sale proceeds ( after deduction of the expenses incurred) to the shareholders and beneficial owners respectively entitled to the same in proportion to their fractional entitlement.

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## Q. CANCELLATION OF SHARES

Upon this Scheme become effective,

1. All those Shareholders of the Company who continue to hold their shares in physical form as on the Record Date shall be issued and delivered fresh share certificate consequent upon the reorganization of capital irrespective of whether such Shareholders surrender their old share certificates or not. The old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value and shall be non-usable and non-tradable on any stock exchange or otherwise on and from the Record Date. The Stock Exchanges shall also be intimated, on the Record Date in this regard.
2. In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, if and to the extent warranted, as a consequence of the sanctioning of this Scheme, shall be adopted for making the necessary alterations in the depository accounts of the Shareholders.

## R. LISTING OF SHARES

Notwithstanding the reduction of capital of the Company in pursuance of the Scheme, the listing benefit of the Company on the Stock Exchanges where the existing Equity Shares of the Company are listed shall continue and the Company will comply with the applicable provisions of the Listing Agreement with the Stock Exchanges.

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## S. FORM OF MINUTE UNDER SECTION 66(5) OF THE COMPANIES ACT, 2013

The form of minute proposed to be registered under Section 66(5) of the Companies Act, 2013, is as follows:

"The issued, subscribed and paid up capital of Adroit Infotech Limited is henceforth is Rs.6,31,15,720 (Rupees Six Crores Thirty One Lacs, Fifteen Thousand, Seven Hundred and Twenty) divided into 63,11,572 (Sixty Three Lacs, Eleven Thousand, Five Hundred and Seventy Two) Equity Shares of Rs.10 (Rupees Ten) each. At the date of registration of this minute, 63,11,572 (Sixty Three Lacs, Eleven Thousand, Five Hundred and Seventy Two) Equity Shares of Rs.10 (Rupees Ten) each, have been issued and are deemed to be fully paid up."

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