

Janki Corp Limited
(CIN - U17118RJ1993PLC023549)
Registered Office: Mandpiya Chouraha, Chittor Road, Bhilwara, Rajasthan – 311001
Website: <https://www.jankicorp.com/>
Email Id: jankicorp@yahoo.co.in
Telephone No.: 01482-249010

NOTICE TO SECURED CREDITORS

**NOTICE FOR CONVENING MEETING OF THE SECURED CREDITORS OF
JANKI CORP LIMITED**
*(Being convened pursuant to an order dated 1st June 2023, read with Rectification
Order dated 16th June 2023 passed by Hon'ble National Company Law Tribunal, Jaipur
Bench)*

DETAILS OF MEETING OF THE SECURED CREDITORS:

Day	:	Friday
Date	:	28th July 2023
Time	:	11:00 AM (IST)
Venue	:	The deemed venue for the aforesaid Meeting shall be the Registered Office of Janki Corp Limited ("Company"), i.e., Mandpiya Chouraha, Chittor Road, Bhilwara, Rajasthan – 311001.
Mode	:	As per the directions of the Hon'ble National Company Law Tribunal, Jaipur Bench, and as per the discretion exercised by the Chairperson appointed for the meeting, the meeting shall be conducted through Video Conferencing ("VC") with the facility of remote e-voting.

REMOTE E-VOTING

Start Date and Time	:	Monday, 24th July 2023 (10:00 AM – IST)
End Date and Time	:	Thursday, 27th July 2023 (5:00 PM – IST)

INDEX OF DOCUMENTS ENCLOSED		
Sr. No.	Particulars	Page No.
1.	Notice of the meeting of the secured creditors of Janki Corp Limited convened pursuant to the order dated 1 st June 2023 read with rectification order dated 16 th June 2023 of the Hon'ble National Company Law Tribunal, Jaipur Bench ("NCLT").	3 – 7
2.	Explanatory Statement under Section 102 read with Section 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	8 – 35
3.	ANNEXURE 1 Copy of Scheme of Arrangement between Janki Corp Limited ("Demerged Company") and Janki Textiles India Private Limited ("Resulting Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"), as filed before the Tribunal.	36 – 59
4.	ANNEXURE 2	60 – 69

	Copy of Report confirming the proposed Share Entitlement Ratio of Equity Shares provided by Mr. Niranjan Kumar, a Registered Valuer (IBBI Registration No.-IBBI/RV/06/2018/10137)	
5.	ANNEXURE 3 Copy of Report adopted by the Board of Directors of Janki Corp Limited explaining the effect of the Scheme of Arrangement on shareholders, key managerial personnel, promoters, and non-promoter shareholders, pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013	70 – 71
6.	ANNEXURE 4 Copy of Report adopted by the Board of Directors of Janki Textiles India Private Limited explaining the effect of the Scheme of Arrangement on shareholders, key managerial personnel, promoters, and non-promoter shareholders, pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013	72 – 74
7.	ANNEXURE 5 Copy of Annual report of Janki Corp Limited, for FY 2021-22	75 – 162
8.	ANNEXURE 6 Copy of the provisional unaudited financial statements of Janki Corp Limited for the period ended on 30 th November 2022	163 – 172
9.	Annexure 7 Copy of provisional unaudited financial statements of Janki Textiles India Private Limited for the period ended on 15 th January 2023	173 – 175
10.	ANNEXURE 8 Copy of the Order of the Hon'ble National Company Law Tribunal, Jaipur Bench dated 1 st June 2023	176 – 194
11.	ANNEXURE 9 Copy of the Rectification Order of the Hon'ble National Company Law Tribunal, Jaipur Bench dated 16 th June 2023	195 – 196
12.	Annexure A Instructions for remote e-voting, attending the meeting through Video Conferencing and voting during the meeting through e-voting	197 - 198

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH
CA (CAA) No. 01/230-232/JPR/2023
IN THE MATTER OF THE COMPANIES ACT, 2013;
AND
IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013;
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN
JANKI CORP LIMITED
AND
JANKI TEXTILES INDIA PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

NOTICE FOR CONVENING MEETING OF THE SECURED CREDITORS OF JANKI CORP LIMITED
(APPLICANT COMPANY 1 /DEMERGED COMPANY)

(Being Convened Pursuant To Order Dated 1st June 2023, Read With Rectification Order Dated 16th June 2023, Passed By Hon'ble National Company Law Tribunal, Jaipur Bench)

To,
The Secured Creditors of Janki Corp Limited
(*"Applicant Company 1" or "Demerged Company" or "Company"*)

Notice is hereby given that by an order dated 1st June 2023 (**"Order"**), read with Rectification Order dated 16th June 2023 (**"Rectification Order"**) (collectively referred to as **"Orders"**), the Jaipur Bench of the National Company Law Tribunal (**"NCLT"**) has directed a meeting to be convened for the secured creditors of the Company for the purpose of considering, and if thought fit, approving with or without modification(s), proposed Scheme of Arrangement (**"Scheme"**) between Janki Corp Limited (**'Demerged Company'** or **'Company'**) and Janki Textiles India Private Limited (**'Resulting Company'**) and their respective shareholders & creditors under Sections 230 to 232 read with Companies (Compromises, Arrangements and Amalgamations) Rule, 2016 and other applicable provisions of the Companies Act, 2013 (**"Act"**).

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the secured creditors of the Demerged Company will be held on **Friday, 28th July 2023 at 11:00 AM (IST)** (**"Meeting"**) through Video Conferencing (**"VC"**) with facility of remote e-voting and voting during the meeting through e-voting system as per the details provided herein in **"Annexure A"** to this Notice. Accordingly, you are requested to attend the Meeting *via* VC.

Copy of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises,

Arrangements and Amalgamations) Rules, 2016 along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Company at Mandpiya Chouraha, Chittor Road, Bhilwara, Rajasthan – 311001 during business hours.

Facility of remote e-voting will be available during the prescribed time period before the meeting and facility to vote through e-voting system will be available during the meeting. Accordingly, secured creditors can vote through remote electronic means or e-voting system during the meeting. The facility of appointment of proxies by secured creditors will not be available for such meeting. A body corporate which is a secured creditor is entitled to appoint a representative for the purposes of participating and / or vote through remote e-voting or e-voting during the meeting.

The Tribunal has appointed Mr. Brij Bhushan Sharma as the Chairperson and Mr. Sandeep Kumar Jain as the Scrutinizer for the meeting of secured creditors including any adjournment or adjournments thereof. The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of the Hon'ble NCLT and other applicable regulatory authorities.

TAKE NOTICE that the following resolution is proposed under Sections 230 read with Section 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions of the Act read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the provisions of the Memorandum of Association and Articles of Association of Demerged Company for the purpose of considering, and if thought fit, approving, Scheme of Arrangement between JANKI CORP LIMITED ("Demerged Company") and JANKI TEXTILES INDIA PRIVATE LIMITED ("Resulting Company"):

"RESOLVED THAT pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Jaipur ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), approval of the secured creditors of the Company, be and is hereby accorded to the Scheme of Arrangement between Janki Corp Limited and Janki Textiles India Private Limited and their respective shareholders & creditors ("**Scheme**")."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, (including withdrawal of the Scheme), which may be required and/or imposed by the NCLT while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

The above mentioned Scheme, if approved at the Meeting, will be subject to the subsequent approval of the Hon'ble NCLT, Jaipur Bench. A copy of the Explanatory Statement, under Sections 230(3), 232(1) and 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies

(Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Date: 23rd June 2023
Place: Jaipur
Registered Office: JANKI CORP LIMITED
Mandpiya Chouraha,
Chittor Road,
Bhilwara, Rajasthan – 311001
CIN - U17118RJ1993PLC023549

For Janki Corp Limited
Sd/-
Brij Bhushan Sharma
Chairperson

Notes:

- (1) In terms of the order dated 1st June 2023 of the NCLT, Jaipur Bench, read with Rectification Order dated 16th June 2023, the Demerged Company is convening the meeting of secured creditors of Demerged Company through Video Conferencing in compliance of the order passed by the Hon'ble National Company Law Tribunal, the Guidelines issued by the Ministry of Corporate Affairs and the relevant provisions of the Companies Act, 2013 and Rules made thereunder. Facility of remote e-voting will be available during the prescribed time-period before the meeting and e-voting will also be available during the meeting. The proceedings of the meeting shall however be deemed to be conducted at the registered office of the Demerged Company which shall be the deemed venue of the meeting.
- (2) Only secured creditors of the Demerged Company existing as on cut-off date i.e., 31st March 2023 may attend the Meeting to be held through VC and vote using remote e-voting system before the meeting or e-voting system during the meeting.
- (3) Where in case a secured creditor is a Corporate/ Body Corporate/ Institution, then pursuant to Section 113 of the Act, they are entitled to participate in the Meeting through their Authorised Representatives. Such Corporate Creditor is required to send either through email to jankicorp@yahoo.co.in or deposit at the Registered Office of the Company, a duly certified copy of the Board Resolution/ Power of Attorney authorizing such Authorized Representative along with the ID of Authorized Representative, to attend and vote at the Meeting on its behalf pursuant to Section 113 of the Act not later than 48 hours before the time fixed for the aforesaid Meeting. The said resolution/authorization may be sent to the scrutinizer at: sandeepjaincs@gmail.com.
- (4) The Explanatory Statement pursuant to Section 230(3) and 102 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 setting out the material facts concerning the Special Business are annexed hereto.
- (5) The remote e-voting for the secured creditors shall commence on **Monday, 24th July 2023, (10:00 AM – IST) and shall end on Thursday, 27th July 2023 (5:00 PM – IST).**
- (6) **Link Intime India Private Limited ('Linkintime')** has been appointed to provide platform for convening the meeting through video conferencing, remote e-voting and voting during the meeting in a secured and transparent manner. Detailed instructions and operational manual for participation and remote e-voting during the prescribed time-period before the

meeting and e-voting during the meeting is enclosed as **Annexure A** to the Notice. The secured creditors desiring to vote through remote e-voting, attend the meeting through VC and vote during the meeting, are requested to carefully follow the instructions set out in **Annexure A** to this Notice. **The EVENT number for this meeting is 230181.**

- (7) **Please take note that as per the directions of the Tribunal, the meeting is proposed to be held through VC with facility of remote e-voting, accordingly, option of attending the meeting physically at venue or through proxy is not available.**
- (8) Secured creditors who have voted through remote e-voting during the available window as aforementioned in point (4) above will be eligible to attend/participate in the meeting through the Linkintime platform. However, they will not be entitled to vote again during the meeting. Only those secured creditors who have not participated in remote e-voting system, may cast their e-vote during the meeting through Linkintime platform.
- (9) In terms of the directions contained in the Order, *"The quorum of the meeting of the secured creditors of the Demerged Company shall be 33% in value of the total secured creditors of the Demerged Company as on 31st March 2023."* It is also directed that if the required Quorum is not present at the commencement of meeting, then the meeting will be adjourned for 30 minutes, and thereafter the persons present, and voting shall be deemed to constitute the quorum.
- (10) The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the secured creditors at the registered office of the Demerged Company between 10.00 A.M. and 12.00 Noon on all days (except Saturdays, Sundays, and public holidays) up to the date of the meeting. However, the same shall be open for inspection during the aforesaid meeting.
- (11) The Notice calling the meeting together with the documents accompanying the same, is being sent to all the secured creditors of the Demerged Company as on 31st March 2023, either *via* email or by registered post or courier at their registered address available with the company. The notice, copies of Scheme of Arrangement, Explanatory Statement and annexures to the aforementioned documents may also be accessed on the website of the Demerged Company viz. <https://www.jankicorp.com/>.
- (12) The notice convening the meeting will be published through advertisement in (i) **"Indian Express"** (English, Rajasthan edition) (ii) **"Pratahkal"** (Hindi, Rajasthan edition).
- (13) In accordance with the provisions of Sections 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the secured creditors, of the Demerged Company, voting through remote e-voting or by e-voting system agree to the Scheme.
- (14) The voting rights as well as the value of the secured creditors shall be in proportion to the outstanding amount due to them by the Demerged Company as on cut-off date i.e., 31st March 2023.
- (15) It is clarified that cast of votes by remote e-voting (prior to the meeting) does not disentitle a secured creditor from attending the meeting. However, a secured creditor who has voted through remote e-voting prior to the meeting cannot vote through e-voting during the Meeting.
- (16) As directed by the Tribunal, Mr. Sandeep Kumar Jain, has been appointed as Scrutinizer for the said meeting of the secured creditors of the Demerged Company to scrutinize the voting

during the meeting in a fair and transparent manner. Post the meeting, the Scrutinizer will submit the report to the Chairperson after completion of scrutiny of the Voting Process. As per Order of the Tribunal, the Chairperson shall report the result of the said NCLT convened meeting to the Tribunal within 7 days from the date of the conclusion of the meeting with regard to the proposed Scheme.

Encl.: As above

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH
CA (CAA) No. 01/230-232/JPR/2023
IN THE MATTER OF THE COMPANIES ACT, 2013;
AND
IN THE MATTER OF SECTIONS 230 TO 232 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013;
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN
JANKI CORP LIMITED
AND
JANKI TEXTILES INDIA PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1), 232(2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE SECURED CREDITORS OF JANKI CORP LIMITED

1. Pursuant to the Order dated 1st June 2023, read with Rectification Order dated 16th June 2023 (collectively referred to as “**Orders**”), passed by the Hon’ble National Company Law Tribunal, Jaipur Bench (“**NCLT**”), in the Company Application Number CA (CAA) No. 01/230-232/JPR/2023, a meeting of the secured creditors of Janki Corp Limited (*hereinafter referred to as the “**Applicant Company-1**” or “**Demerged Company**” or “**Company**” as the context may admit*) is being convened and held through Video Conferencing (“**VC**”) with facility of remote e-voting and voting during the meeting through e-voting system on **Friday, 28th July 2023 at 11:00 AM (IST) (“**Meeting**”)**, for the purpose of considering, and if thought fit, approving, with or without modification(s), Scheme of Arrangement between Janki Corp Limited and Janki Textiles India Private Limited and their respective shareholders & creditors under Sections 230 to 232 and other applicable provisions of the Act (“**Scheme**”). The Scheme as filed before the Hon’ble Tribunal is enclosed as Annexure 1.
2. Capitalized terms which are used in this Explanatory Statement, but which are not defined herein shall have the meaning assigned to them in the Scheme, unless otherwise stated.
3. In terms of the said Order, “*the quorum for the said meeting shall be 33% in value of the total secured creditors of the Demerged Company as on 31st March 2023.*” It is also directed that if the required Quorum is not present at the commencement of meeting, then the meeting will be adjourned for 30 minutes, and thereafter the persons present and voting, shall be deemed to constitute the quorum.

4. The attendance of the Secured Creditors attending the meeting through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In terms of the said Order, NCLT, has appointed Mr. Brij Bhushan Sharma as the Chairperson and Mr. Sandeep Kumar Jain as the Scrutinizer for the Meeting of secured creditors of the Demerged Company including for any adjournment or adjournments thereof.
6. This statement is being furnished as required under Sections 230(3), 232(1) and 232(2) and 102 of the Companies Act, 2013 ("**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("**Rules**").
7. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three-fourths in value of the secured creditors, of the Demerged Company, voting through remote e-voting or by e-voting system agree to the Scheme.

8. Particulars of JANKI CORP LIMITED ("Applicant Company 1" or "Demerged Company"):

- A. Janki Corp Limited ("Applicant Company 1" or "Demerged Company") is a public limited company incorporated under the Companies Act, 1956 on 16th September 1993 and its registered office is situated at Mandpiya Chouraha, Chittor Road, Bhilwara, Rajasthan – 311001. Its Corporate Identity Number ("CIN") is U17118RJ1993PLC023549, and Permanent Account Number ("PAN") is AAACJ3638A, and E-Mail is jankicorp@yahoo.co.in.
- B. The main objects of Demerged Company as set out in its Memorandum of Association are as follows:
 1. *To carry on the business of spinners, weavers, manufacturers, producers, ginner, pressers, packers, balers, liners, cleaners, processors, doubters, combers, wool combers, worsted spinners, woollen spinners, knitters, printers, dyers, bleachers, calenderers, sellers, buyers, traders, brokers, stockists, importers, exporters, merchandise, distributors, barterers, shippers and dealers in all kinds of threads, fabric/cloth, yarn, fibres, jeans, suitings, shirtings, sarees, dress materials, ready-made garments of all fabrics including waste cotton, linen, hemp, jute, wool, polysters, acrylics, silk, artificial silk, rayon, manmade synthetic fibre, fibers, staple synthetic yarn and any other fibrous material, allied products, by-products and to treat and utilise any waste arising from any such manufacturing, production or process.*
 2. *To carry on the business of manufacturers, processors, producers, jobbers including doing the job work for others and getting the job work done from others, designers, distributors, stockists, importers and exporters, buyers, sellers and dealers of all or any of the products of fabrics and textiles, industrial fabrics, non-woven fabrics, sheets, tapes, ropes, cords, twines, canvas, territowels, durries, newar, parachutes, carpets, rugs, blankets, namdas, tarpaulins, linens, worsted stuff and other products as are prepared or manufactured from nylon, polyester, acrylics, rayon, silk, artificial silk, linen, cotton, wool, and any other synthetic, artificial and natural fibres and intermediates of all types, grades and formulations and including specifically plastics, polyester fibres, polyacrylonitrile, polyvinylacetate, polypropylene, nylon and rayon.*
 3. *To carry on the business of manufacturers, producers, processors, importers, exporters, buyers, sellers and dealers in and as brokers, agents, stockists, distributors and suppliers of all kinds of waterproof fabrics, pavliners, floorclothes, carpets, tent clothes, tweed, patto, pashminas blazer, gaberdine, drill, tapestry, georgetta, linen, velvet, tarpaulin,*

- khaddar, lace and Linning, surgical cotton, surgical bandages, lints, gauge, sanitary goods necessary for medical aid, hospital needs, as are made from or with cotton, nylon, silk, polyester acrylics, jute, wool and other kinds of fibre, by whatever name called or made under any process, whether natural or artificial and by mechanical or other means.*
4. *To carry on the business of manufacturing; trading, producing, crushing, acquiring, importing, exporting, buying, selling, treating, processing, developing, retreating, storing, distributing, transporting and otherwise dealing in all kinds and classes of pig iron, sponge iron and steels of all kinds, ferrous and non-ferrous metals and alloys, iron and metal scrap, ferro-alloys, cast iron and steel and metal goods, tools and implements of all kinds, billets, pre-reduced billets, ingots etc.*
 5. *To set up any mineral based industry to manufacture or process minerals, purchase, take on lease or otherwise acquire any mines, mining rights and metalliferous land anywhere and any interest therein and to explore, work, exercise, develop and turn to the account the same.*
 6. *To act as a consultant, construction advisor to any plant whether in India or abroad for manufacturing producing, treating, processing, developing in all kinds of ferrous and non-ferrous metals, pig iron, sponge iron, steel and metal goods. To cogenerate, generate electricity through conventional and non conventional means from raw material or waste heat or from any other material for selling to the outside buyers or for its own consumption to continuously invest in research activities for diversifying or improving production, maintenance and growth of the company.*
 7. *To search for, get, work, raise, make merchantable, sell and deal in iron, coal, iron-stone, brickearth, fireclay, limestone, dolomite, quartz quartzite, manganese asbestos and other metals, minerals and substances and to manufacture and sell fuel and other products.*
 8. *To arrange, deal in all aspects of the business, contracting, generation, transmission, sale, purchase, captive consumption, supply and distribution of power / electricity in India and abroad by establishing Wind Power Plant or any other type of Power generation plant using conventional and/or non-conventional energy sources as may be in use or which may be developed or invented in future.*
 9. *To deal in immovable properties such as land and buildings and to purchase, acquire, take or given on lease or in exchange or in any other lawful manner in India or abroad land including agriculture land, plot, building, structures, factories, farm houses and estates, real estate or interest therein and any rights over or connected with them and to develop the same for sale or on installments or for any other purpose by preparing building sites and by constructing, altering improving, developing, promoting, decorating, furnishing, maintaining of heritage spots, hotels, resorts, malls, plazas, apartments, shopping malls, farm houses, complexes, commercial and residential buildings, colonization, multi storey offices, multiplex, amusement park, flats, gardens, houses, shops, showrooms and townships and to equip them or any part thereof with all or any amenities or conveniences thereon and by consolidating or connecting or subdividing properties and leasing or disposing of the same and to manage such land and building.*
- C. **The core business activity of Demerged Company** includes the business of processing of synthetic fabrics and manufacturing of textiles and processing and production of steel, sponge iron and iron ore pellets.
- D. **Details of change of name, registered office and objects of the Demerged Company during the last five years:**

Change of Name: There has been no change of name of the Demerged Company during the last five years.

Change of Registered Office: There has been no change in the registered office of the Demerged Company during the last five years from one state to another state.

Change of Objects: There has been no change in the object clause of the Demerged Company during the last five years.

E. The authorized, issued, subscribed and paid-up share capital of the Demerged Company as on 23rd June 2023 is as under:

Particulars	Amount in INR
Authorised Share Capital	
5,00,00,000 Equity Shares of Rs.10/- each	50,00,00,000
Total	50,00,00,000
Issued, Subscribed and Paid-Up Share Capital	
3,13,53,600 Equity Shares of Rs.10/- each	31,35,36,000
Total	31,35,36,000

F. Names of the Promoter and Promoter Group entities of the Demerged Company along with their addresses:

Sr. No.	Name of the Promoter and/or Promoter Group Entity	Type	Address
1	Mr. Raghunath Mittal	Promoter	Laxmi Kunj 229/2, Mohan Lal, Sukhadia Nagar, Ajmer Road, Bhilwara, Rajasthan-31 1001.
2	Mr. Rahul Mittal	Promoter	Laxmi Kunj 229/2, Mohan Lal, Sukhadia Nagar, Ajmer Road, Bhilwara, Rajasthan-31 1001.

G. The securities of the Demerged Company are not listed on any stock exchange.

H. The details of the Directors of the Demerged Company as on 23rd June 2023, along with their addresses are as follows:

Sr. No.	Name	Designation	Address	No of shares	Shareholding (%)
1.	Mr. Raghunath Mittal	Director	Laxmi Kunj 229/2, Mohan Lal, Sukhadia Nagar, Ajmer Road,	4,84,22,500	15.444%

			Bhilwara, Rajasthan-31 1001.		
2.	Mr. Rahul Mittal	Director	Laxmi Kunj 229/2, Mohan Lal, Sukhadia Nagar, Ajmer Road, Bhilwara, Rajasthan-31 1001.	8,15,44,400	26.008%
3.	Mrs. Ranu Porwal	Director	154, Kashipuri Bhilwara, Rajasthan - 311001	0	0%
4.	Mr. Harish Sharma	Director	10-P-34, R C Vyas Colony, Bhilwara, Rajasthan - 311001	0	0%
5.	Mrs. Aditi Kakhani	Director	10-M-30, R C Vyas Colony, Bhilwara, Rajasthan - 311001	0	0%
Total				12,99,66,900	41.452%

9. **Particulars of Janki Textiles India Private Limited (“Applicant Company 2” or “Resulting Company”):**

A. Janki Textiles India Private Limited (“Applicant Company 2” or “Resulting Company”) is a private limited company incorporated under the Companies Act, 2013 on 21st December 2022, and its registered office is situated at Mandpiya Chouraha, Chittor Road, Bhilwara, Rajasthan – 311001. Its Corporate Identity Number (“CIN”) is U17299RJ2022PTC085354, and Permanent Account Number (“PAN”) is AAFCJ8589H and E-Mail is info@jankitextiles.com.

B. The main objects of Resulting Company as set out in its Memorandum of Association are as follows:

1. *To carry on the business of manufacturing, trading, buying, selling, dealing, producing, importing, exporting, whole selling, retailing in textile goods.*
2. *To carry on the business of manufacturers, producers, processors, printing on jobwork and importers, exporters, buyers, sellers and dealers in all kinds of label, textiles, yarn, fabrics, leather clothes whether synthetic or natural prepared or manufactured from nylon cellulose, viscose, polyester, acrylics, rayon, silk, artificial silk, linen narrow fabrics, cotton, wool, jute, lamp, flex, leather hession and any other fibre or fibre as materials, textile, substances, allied products, by products and substitute for all or any of them and to treat and utilize any waste arising from any such manufacture, production or process and converters of synthetic, artificial and natural and fibre glass into materials like cloth, tapes, ropes, yarns, twines and such other articles as may be conveniently produced or manufactured.*
3. *To carry on in India or elsewhere the business of manufacturing, processing, Producing, washing, ginning, pressing, spinning, weaving, crimping, dyeing, texturing, carding, bleaching, combing, doubling, finishing, colouring, mercerizing, twisting, improving, buying, selling, reselling, importing, exporters, storing, fabricating, developing, marketing, or supplying and to act a broker, trader, agent, C & F agent, distributor, representative, consultant, collaborator, adatia stockists, liasioner, jobworker or otherwise to deal in all types of natural and synthetic yarns and fabrics made of materials such as cotton, flax, hemp, linen, wool, nylon, viscose, ramie, polyester, silk, artsilk, tureen, jute, staple, fibres, cashmilon, filaments, terecotton, comofilaments, acrylics, polynosic, polypropylene, polyimide,*

polymethane, cellulose, dropping, spun or other fibrous substances or any combination thereof.

- C. The core business activity of Resulting Company includes the business of processing of synthetic fabrics and manufacturing of textiles. It is yet to start its commercial operations which are envisaged upon scheme being effective.
- D. Details of change of name, registered office and objects of the Resulting Company during the last five years:

Change of Name: The Resulting Company was incorporated on 21st December 2022. Subsequently, there has been no change of name of the Resulting Company.

Change of Registered Office: The Resulting Company was incorporated on 21st December 2022. Subsequently, there has been no change in the registered office of the Resulting Company.

Change of Objects: The Resulting Company was incorporated on 21st December 2022. Subsequently, there has been no change in the object clause of the Resulting Company.

- E. The authorized, issued, subscribed and paid-up share capital of the Resulting Company as on 23rd June 2023 is as under:

Particulars	Amount in INR
Authorised Share Capital	
1,50,000 Equity Shares of Rs.10/- each	15,00,000
Total	15,00,000
Issued, Subscribed and Paid-Up Share Capital	
62,708 Equity Shares of Rs.10/- each	6,27,080
Total	6,27,080

- F. Names of the Promoter and Promoter Group entities of the Resulting Company along with their addresses:**

Sr. No.	Name of the Promoter and/or Promoter Group Entity	Type	Address
1	Mr. Raghunath Mittal	Promoter	Laxmi Kunj 229/2, Mohan Lal, Sukhadia Nagar, Ajmer Road, Bhilwara, Rajasthan-31 1001.
2	Mr. Rahul Mittal	Promoter	Laxmi Kunj 229/2, Mohan Lal, Sukhadia Nagar, Ajmer Road, Bhilwara,

			Rajasthan-31 1001.
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G. The securities of the Resulting Company are not listed on any stock exchange.

H. The details of the Directors of the Resulting Company as on 23rd June 2023, along with their addresses are as follows:

Sr. No.	Name	Designation	Address	No of shares	Shareholding (%)
1.	Mr. Raghunath Mittal	Director	Laxmi Kunj 229/2, Mohan Lal, Sukhadia Nagar, Ajmer Road, Bhilwara, Rajasthan-31 1001.	96,850	15.444%
2.	Mr. Rahul Mittal	Director	Laxmi Kunj 229/2, Mohan Lal, Sukhadia Nagar, Ajmer Road, Bhilwara, Rajasthan-31 1001.	1,63,090	26.008%
Total				2,59,940	41.452%

10. Board Meeting approving the Scheme of Arrangement.

The Board of Directors of the Applicant Companies have unanimously approved the proposed Scheme of Arrangement, vide their respective Board Resolutions dated 31st January 2023 in case of Demerged Company and Resulting Company, after taking on record the Share Entitlement Ratio report dated 31st January 2023, issued by registered valuer, Mr. Niranjana Kumar. (IBBI Registration No.-IBBI/RV/06/2018/10137).

Names of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolutions:

A. JANKI CORP LIMITED:

S. No.	Name of the Directors	Voted in Favour/ Against/ Abstain from voting
1.	Mr. Raghunath Mittal	Favour
2.	Mr. Rahul Mittal	Favour
3.	Mrs. Ranu Porwal	Favour
4.	Mr. Harish Sharma	Favour
5.	Mrs. Aditi Kakhani	Favour

B. JANKI TEXTILES INDIA PRIVATE LIMITED:

S. No.	Name of the Directors	Voted in Favour/ Against/ Abstain from voting
1.	Mr. Raghunath Mittal	Favour
2.	Mr. Rahul Mittal	Favour

11. Brief details of the Scheme

S. No.	Particulars	Particulars
i.	Parties involved in the Scheme	<ul style="list-style-type: none"> Janki Corp Limited ("Demerged Company") Janki Textiles India Private Limited ("Resulting Company") <p>Hereinafter, collectively referred to as "Participating Companies" or "Applicant Companies".</p>
ii.	Relationship between the Companies	Forming part of the same Promoter group.
iii.	Scheme of Arrangement	The scheme provides for demerger of business undertaking of Demerged Company into the Resulting Company pursuant to and under the provisions of Sections 230 to 232 of the Companies Act, 2013 and the relevant provisions made thereunder and/or any other applicable provisions of the Companies Act, 2013, in the manner provided for in the Scheme.
iv.	Appointed Date	Opening of business hours on April 1, 2023, or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority
v.	Effective Date	The date or last of the dates on which certified copies of the order of the NCLT sanctioning the scheme are filed by the Demerged Company and the Resulting Company with the registrar of companies. References in this scheme to the date of "coming into effect of this scheme" or "upon the scheme becoming effective" shall mean the effective date.
vi.	Summary of Share Entitlement Ratio Report	<p>The report on recommendation of fair value dated 31st January 2023 issued by Mr. Niranjana Kumar, Registered Valuer, in relation to the Scheme, has recommended following Share Entitlement Ratio –</p> <ul style="list-style-type: none"> <i>"1 (One) 0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of JTIPL of face value of INR 1 each fully paid up shall be issued for every 1 (One) equity share held in JCL having face value of INR 10 each fully paid up"</i> <p>The Share Entitlement Ratio Report is available for inspection at the registered office of the Demerged Company and Resulting Company.</p>

vii.	Rationale of the Scheme or the benefits of the Scheme as perceived by the Board of Directors of the Company to the Company, Shareholders, Creditors and Others	<p>The Demerged Company is inter-alia engaged in varied business verticals namely Textile and Steel & Energy. The Steel & Energy business is highly capital driven with long gestation period and the Textile business, on the other hand, is dynamic, more volatile to domestic and international market conditions, heavily dependent on product innovations and development, which require different skill sets and capabilities.</p> <p>Management believes that the risk and reward associated with each of the aforesaid business verticals are different and are at different maturity stage in their life cycles. Each business verticals have a distinct attractiveness to divergent set of investors. With a view to unlock the potential of each of the business verticals, the management intends to demerge the Textile Division, on a going concern basis, into the Resulting Company. It is intended for the Demerged Company to focus on the Steel & Energy Business and the Resulting Company to focus on the Textile Business. The management believes that such concentrated efforts shall benefit all stakeholders of the Demerged Company and Resulting Company, respectively. The Scheme is expected to result in the following benefits:</p> <ol style="list-style-type: none"> a. Facilitate focused growth, concentrated approach, business synergies and increased operational and customer focus for respective business verticals. b. Rationalization of operations with greater degree of operational efficiency and optimum utilization of various resources. c. Lead to clear strategic direction on account of segregation of the various businesses in which the Demerged Company is engaged, viz. Textile business and Steel & Energy business. d. The Resulting Company, with clear identity of being in a Textile Business, will enable right customer attention resulting in deeper market penetration. e. Ability to leverage financial and operational resources in each business verticals will lead to possibilities of joint ventures and associations with other Industry participants, both in India and globally, and will facilitate attracting greater talent pool. f. Each business will be able to address independent business opportunities with efficient capital allocation and attract different set of investors, strategic partners, lenders and other stakeholders, thus leading to enhanced value creation for shareholders, which would be in the best interest of the Demerged Company
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		and Resulting Company and their respective stakeholders connected therewith. The Scheme is not, in any manner, prejudicial or against public interest and would serve the interest of all shareholders, creditors or any other stakeholders.
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12. Key salient features of the Scheme

1. **The Scheme is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013, as may be applicable, for the Arrangement of the Demerged Company with the Resulting Company:**
2. **The Demerged Company and the Resulting Company shall make application(s) and/or petition(s) under Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the Hon'ble NCLT, Jaipur Bench for sanction of this Scheme and all matters ancillary or incidental thereto:**
3. **Definitions:**
 - 3.1 ***"Appointed Date"*** means the opening of business hours on April 1, 2023, or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority;
 - 3.2 ***"Demerged Undertaking" or "Demerged Business"*** means Textile Division of Janki Corp Limited.
 - 3.3 ***"Effective Date"*** means the date or last of the dates on which certified copies of the order of the NCLT sanctioning the scheme are filed by the Demerged Company and the Resulting Company with the registrar of companies. References in this scheme to the date of "coming into effect of this scheme" or "upon the scheme becoming effective" shall mean the effective date.
 - 3.4 ***"Remaining Business"*** means all the undertakings, businesses, activities and operations of the Demerged Company other than the Textile Business.
 - 3.5 ***"Textile Division" or "Textile Business"*** means and includes the undertaking of the Demerged Company related to Textile Division consisting, inter-alia, all assets, including movable and immoveable properties and all liabilities relating thereto, whether or not recorded in the books of accounts. Assets and Liabilities of the Textile Division shall, inter-alia, mean and include:

- a) *The assets (whether real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) pertaining to the Textile Division of the Demerged Company including but not limited to licenses (of any nature whatsoever), furniture, fixtures, appliances, accessories, vehicles, power plants, deposits, all stocks, assets, working capital, all customer/vendor contracts, contingent rights or benefits, entitlements, trademarks, logo, copyright, patent, brand/trade name, knowledge, innovations, goodwill, whether or not recorded or appearing in the books of accounts of the Demerged Company and/or the Resulting Company (pursuant to this Scheme) in terms of the applicable accounting standards, belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Textile Division;*
- b) *All deposits, advances, loans, receivables, funds, staff advances, advance payments to regulatory authorities, cash, bank balances, accounts and all earnest money and/or deposits including security deposits made / paid by the Demerged Company in connection with or relating to the Textile Division;*
- c) *The liabilities pertaining to / arising out of the activities or operations of the Textile Division, inter-alia, including the following:*
 - *All liabilities which arise out of the activities or operations of the Textile Division;*
 - *Specific loans and borrowings raised, term loans from banks and financial institutions (if any), bank overdrafts, working capital loans & liabilities, incurred and utilized solely for the activities or operations of the Textile Division;*
 - *Liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Demerged Company, if any, allocated to the Textile Division in the same proportion in which the value of the assets (ignoring the revalued amount) transferred under this Scheme bear to the total value of the assets of the Demerged Company immediately before giving effect to this Scheme;*

Provided however that any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Textile Division or whether it arises out of the activities or operations of the Textile Division shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company;

- d) *All employees of the Demerged Company employed in/ or relatable to the Textile Division as on the Effective Date, and as identified by the Board of Directors of the Demerged Company;*
- e) *All books, records, files, papers, computer software along with their licenses, manuals and backup copies, drawings, data catalogues, and other data and records, whether in physical or electronic form, directly or indirectly in connection with or relating to the Textile Division.*

Without prejudice to the generality of the foregoing, it is clarified that all rights, entitlements, consents, permissions, licenses, certificates, authorizations relating to the Textile Division shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company. Further, all benefits or incentives including income tax, sales tax (including deferment of sales tax), goods and service tax, value added tax and any other direct or indirect tax(es) benefits in respect of the Textile Division for which the Demerged Company is entitled to in terms of the various statutes and/or schemes of Union and State Governments, shall be available to and vest in the Resulting Company.

4. VESTING OF UNDERTAKING

With effect from the Appointed Date, and subject to the provisions of the Scheme, the Textile Division of the Demerged Company, as defined in Clause 1.17 above, shall subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act, and without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner:

- 4.1 *With effect from the Appointed Date, the whole of the undertaking and properties comprising all tangible and intangible assets including but not limited to all kinds of contingent rights or benefits, entitlements, licenses (of any nature whatsoever), trademarks, logo, copyright, patent, brand/trade name, knowledge, innovations, goodwill, whether or not recorded or appearing in the books of accounts of the Demerged Company pertaining to the Textile Division, as aforesaid, shall, under the provisions of Sections 230 to 232 of the Act and any other relevant provisions of the Act, if any, without any further act or deed, be transferred to and be vested in and/or be deemed to be transferred to the Resulting Company so as to vest*

in the Resulting Company all the rights, title and interest pertaining to the Textile Division of the Demerged Company.

- 4.2 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Company relating to the Textile Division, as defined in clause 1.17 above, shall, under the provisions of Sections 230 to 232 of the Act and any other relevant provisions of the Act, without any further act or deed, be transferred to and/or deemed to be transferred to the Resulting Company as the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities and obligations have arisen in order to give effect to the provisions of this sub-clause.*
- 4.3 The vesting of the Textile Division as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Textile Division, provided however, any reference in any security documents or arrangements to which the Demerged Company is a party, wherein the assets of the Textile Division have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the assets pertaining to the Textile Division as are vested in the Resulting Company as per the Scheme, to the end and intent that any such security, charge, hypothecation and mortgage shall not extend or be deemed to extend to any of the other assets of the Demerged Company or any other assets of the Resulting Company. Provided further, that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation and mortgages shall not extend or be deemed to extend to any of the other assets of Resulting Company.*
- 4.4 With effect from the Appointed Date and upon the Scheme becoming effective any statutory licenses, certificates, permissions, unique identification numbers, registrations or approval or consents held by the Demerged Company required to carry on operations in the Demerged Undertaking shall stand vested in or transferred and deem to be transferred to and vested to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The Resulting Company and/or the Demerged Company shall file intimation with the relevant authorities, who shall take the same on record, or undertake necessary actions as may be*

required, for having the said licenses, certificates, permissions, registration, unique identification numbers, etc. vested or transferred to the Resulting Company.

4.5 With effect from the Appointed Date, all documents of title, deeds, papers, contracts, licenses etc. pertaining to the Textile Division shall be handed over to the Resulting Company.

4.6 With effect from the Appointed Date, the transfer and vesting of the assets of the Demerged Company relating to the Textile Division shall be affected as follows:

4.6.1 The immoveable properties including land, building and structures, if any, belonging to and/or vested in the Textile Division shall be transferred to and vested in or deemed to have been transferred to the Resulting Company. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes, if any, and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of the Resulting Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and this Scheme becoming effective in accordance with the terms hereof.

4.6.2 Notwithstanding anything contained in this Scheme, the immovable properties of the Demerged Company pertaining to the Demerged Undertaking situated in different states, whether owned or leased, for the purpose of, inter alia, payment of stamp duty, and vesting into the Resulting Company and if the Resulting Company so decides, the concerned parties, upon the Scheme becoming Effective, shall execute or register or cause so to be done, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value as determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of the Scheme.

4.6.3 All the movable assets of the Textile Division or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand shall be physically handed over by manual delivery to the Resulting Company to the end and intent that the property therein passes to the Resulting Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Resulting Company accordingly.

- 4.6.4 *In respect of movable assets, other than those specified in sub-clause 5.6.3. above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, pursuant to the order of the NCLT, the said debt, loan, advances, etc. would be paid or made good or held on account of the Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands extinguished, and that such rights to recover or realize the same shall vest in the Resulting Company. Pursuant to the order of the NCLT sanctioning the Scheme, each person, debtor or depositor of the Textile Division of the Demerged Company would pay the debt, loan or advance or make good the same or hold the same to the account of the Resulting Company and that the right of the Resulting Company to recover or realize the same would be in substitution of the right of the Demerged Company.*
- 4.7 *Any loans or other obligations, if any, due between the Textile Division of the Demerged Company and the Resulting Company or any other transactions between the Textile Division of the Demerged Company and the Resulting Company as on the Appointed Date, shall stand automatically extinguished.*
- 4.8 *All taxes, duties, cess payable by the Demerged Company relating to the Textile Division and all or any refunds/credit (including cenvat credits)/claims relating thereto shall be treated as the liability or refunds/credit/claims, as the case may be, of the Resulting Company.*
- 4.9 *The experience, track record, knowledge, innovations and credentials of the Demerged Company in relation to the Demerged Undertaking in dealing with identified products and/or services in relation to various authorities, agencies and clients prior to its transfer to the Resulting Company shall be taken into account and treated and recognize as the experience, track record, knowledge, innovations and credentials in relation to such Demerged Undertaking even after its transfer to the Resulting Company.*
- 4.10 *On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company pertaining to the Demerged Undertaking, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.*

- 4.11 *This Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect other parts of the Scheme.*

5. CONSIDERATION

- 5.1 *Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Demerged Undertaking of Demerged Company with the Resulting Company pursuant to this Scheme and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent or instrument, issue and allot, on a proportionate basis, to each shareholder of the Demerged Company, whose name is recorded in the register of members as member of the Demerged Company as on the Record Date, as follows:*

“1 (One) 0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of JTIPL of face value of INR 1 each fully paid up shall be issued for every 1 (One) equity share held in JCL having face value of INR 10 each fully paid up”

- 5.2 *The aforesaid ratio for the issue of Redeemable Preference Shares by the Resulting Company against the equity shares held by the shareholders in the Demerged Company is based on the recommendations made in the Share Entitlement Report dated January 31, 2023 issued by Mr. Niranjana Kumar, Registered Valuer, having IBBI registration No – IBBI/RV/06/2018/10137.*
- 5.3 *Redeemable Preference shares to be issued and allotted in terms hereof will be subject to the Memorandum of Association and Articles of Association of the Resulting Company and shall be deemed to be in compliance with the provisions of the Act or any law for the time being in force.*
- 5.4 *The terms of issue of 0.01% Redeemable Preference Shares have been specified in Schedule 1.*
- 5.5 *If necessary, the Resulting Company shall before allotment of the Redeemable Preference Shares in terms of the Scheme, increase its authorized share capital by such amount as may*

be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.

- 5.6 The Redeemable Preference Shares shall be issued in physical form to the shareholders of the Demerged Company, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/or its Registrar.*
- 5.7 The Redeemable Preference Shares to be issued by the Resulting Company in respect of any equity shares of the Demerged Company which are held in abeyance under the provision of section 126 of the Act or otherwise, shall also be kept in abeyance.*
- 5.8 The approval of this Scheme by the requisite majority of shareholders of the Resulting Company shall be deemed to be in due compliance of the provisions of Section 55, 42, 62 of the Act, and other relevant and applicable provisions of the Act for the issue and allotment of Redeemable Preference Shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.*
- 5.9 The issue and allotment of the shares by the Resulting Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by the Resulting Company as if the procedure laid down under the relevant applicable provisions of the Act were duly complied with.*

6. ACCOUNTING TREATMENT

6.1 In the books of the Demerged Company:

Upon the Scheme becoming effective and with effect from the Appointed Date, the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall be accounted in the books of the Demerged Company in accordance with applicable Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and generally accepted accounting principles in India as amended from time to time including as provided herein below:

- 6.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date, all inter-company balances (if any) between the Demerged Company (in relation to the Demerged Undertaking) and Resulting Company, in the books of accounts of the Demerged Company shall stand reduced and adjusted in reserves;*
- 6.1.2. Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall de-recognize the carrying values of all assets and liabilities (including Textile Business reserves) pertaining to the Textile Business;*

- 6.1.3. *The difference between the book value of assets and liabilities (including Textile Business reserves) pertaining to the Textile Business shall be adjusted against the Profit & Loss Accounts;*
- 6.1.4. *Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the accounting standards applicable to the Demerged Company.*

6.2 In the books of the Resulting Company

Upon the Scheme becoming effective and with effect from the Appointed Date, the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall be accounted for in the books of Resulting Company in accordance with the accounting standards as applicable under section 133 of the Act and relevant rules issued thereunder as amended from time to time. It would inter alia include the following:

- 6.2.1. *Upon the Scheme becoming effective and with effect from the Appointed Date, all inter-company balances (if any) between the Demerged Company (in relation to the Demerged Undertaking) and Resulting Company, in the books of accounts of the Resulting Company shall stand reduced and adjusted in reserves;*
- 6.2.2. *The Resulting Company shall record the assets and liabilities (including Textile Business reserves) pertaining to the Textile Business, transferred to and vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Demerged Company as on the Appointed Date;*
- 6.2.3. *The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the Redeemable Preference Shares issued by it to the members of the Demerged Company pursuant to Clause 6.1 of this Scheme;*
- 6.2.4. *The identity of the reserves transferred by the Demerged Company to Resulting Company pertaining to the Textile Business of the Demerged Company ('Transferred Reserves') shall be preserved and vested in it and shall appear in the financial statements of Resulting Company in the same form and manner, in which they appeared in the financial statements of the Demerged Company prior to Scheme becoming effective;*
- 6.2.5. *The difference between the Net Assets (i.e. the difference between the book value of assets and liabilities as on the Appointed Date) transferred from the Demerged Company pursuant to Clause 7.2.2, if any, and aggregate of the share capital issued pursuant to Clause 7.2.3 and the Transferred Reserves pursuant to Clause 7.2.4 and after giving effect to inter-company balances, if any, shall be adjusted against Capital Reserve. If the balance of capital reserve is negative (debit balance), the*

same shall be adjusted against the Profit & Loss Account in the books of the Resulting Company;

6.2.6. *In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail and the difference shall be adjusted appropriately;*

6.2.7. *Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the accounting standards applicable to the Resulting Company.*

7. LEGAL PROCEEDINGS

7.1 *If any legal, taxation or other proceedings of whatever nature, whether civil or criminal (including before any statutory or quasi judicial authority or tribunal) (the "Proceedings") by or against Demerged Company in relation to the Demerged Undertaking is pending/ arising at the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Demerged Undertaking or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against Resulting 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 JCL as if the Scheme had not been made. On and from the Effective Date, Resulting Company, as the case may be, shall and may initiate any legal proceedings for and on behalf of Demerged Undertaking.*

7.2 *It is clarified that after the Appointed Date, in case the Proceedings referred above with respect to the Demerged Undertaking of Demerged Company, cannot be transferred for any reason, Demerged Company shall prosecute or defend the same at the cost of and in consultation with Resulting Company, and Resulting Company shall reimburse, indemnify and hold harmless Demerged Company against all liabilities and obligations incurred by Demerged Company in respect thereof.*

7.3 *In the event that the Proceedings referred to above, require Demerged Company and Resulting Company to be jointly treated as parties thereto, Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Demerged Company.*

7.4 *Pending the sanction of the Scheme, Demerged Company in relation to the Demerged Undertaking shall, in consultation with Resulting Company, continue to prosecute, enforce or defend, the proceedings, whether pending or initiated pending the sanction of the Scheme.*

7.5 *Subsequent to the Appointed Date, if any proceedings are initiated by any third party (including regulatory authorities) by or against the Textile Division of the Demerged Company under any statute, such proceedings shall be continued and enforced only against the Resulting Company and the Resulting Company shall bear the liabilities of such proceedings at its own*

cost. Demerged Company shall extend all its assistance to defend the liabilities of such proceedings at the cost of the Resulting Company.

8. TREATMENT OF TAXES

- 8.1. *Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable, if any, by the Demerged Company (including but not limited to the IT Act, Goods and Services Tax, Customs Act, Central Excise Act, State Sales Tax laws, Central Sales Tax Act, VAT/ Service tax and all other Applicable Laws), accruing and relating to the Textile Division from the Appointed Date onwards, including all advance tax payments, TDS, minimum alternate tax, any refund and claims shall, for all purposes, be treated as advance tax payables or payments, TDS, minimum alternate tax or refunds and claims, as the case may be, of the Resulting Company.*
- 8.2. *Upon this Scheme becoming effective, all existing and future incentives, unavailed credits and exemptions/deductions (including Section 80JJAA, wherein Demerged Company and the Resulting Company shall be eligible to claim deduction under aforesaid section post taking into account requisite changes (including but not limited to no. of additional employees) arising pursuant to this Scheme) otherwise admissible to the Demerged Company including deduction admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (including, but not limited to, under Section 43B, Section 40, Section 40A, etc. of the IT Act), subsidies, grants, Taxes, and tax credit/ incentives (including but not limited to credits/incentives in respect of income tax, value added tax, sales tax, service tax, goods and services tax etc.), deferred tax benefits, advance tax, minimum alternate tax, benefit of carried forward losses, unabsorbed tax depreciation, tax holidays and other statutory benefits, including in respect of income tax (including TDS, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax, goods and services tax etc. relating to the Textile Division to which the Demerged Company is entitled / obliged to shall be available to and vest in the Resulting Company, without any further act or deed.*
- 8.3. *Upon this Scheme becoming effective, the Demerged Company and the Resulting Company are permitted to revise or modify, as the case may be, and file their respective income tax returns, withholding tax returns, including TDS certificates, goods and services tax, sales tax/value added tax returns, service tax returns and other tax returns, and to claim refunds/credits/exemptions/deductions, if any, as may be required for the purpose of /consequent to the implementation of the Scheme.*

- 8.4. *The Board of Directors of the Demerged Company and the Resulting Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Textile Division and whether the same would be transferred to the Resulting Company or decide on any other matters.*
- 8.5. *Upon the Scheme becoming effective, any TDS deposited, TDS certificates issued or TDS returns filed by the Demerged Company, if any, relating to the Textile Division shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Resulting Company.*
- 8.6. *All the expenses incurred by the Demerged Company and the Resulting Company in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Demerged Company and the Resulting Company in accordance with the Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which the Scheme becomes effective.*
- 8.7. *Any refund under the tax laws due to the Demerged Company pertaining to the Textile Division consequent to the assessments made on the Demerged Company 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 the Resulting Company. The relevant authorities shall be bound to transfer to the account of and give credit for the same to the Resulting Company upon this Scheme becoming effective upon relevant proof and documents being provided to the said authorities.*
- 8.8. *Any tax liabilities under the income tax laws, service tax laws, goods and services tax laws, excise duty laws, applicable state value added tax laws or other Applicable Laws /regulations dealing with taxes/ duties/ levies applicable to the Demerged Undertaking of the Demerged Company to the extent not provided for or covered by tax provisions in the accounts made as on the Appointed Date shall be transferred to the Resulting Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, relating to the Demerged Undertaking, as on the Appointed Date will also be transferred to the account of the Resulting Company.*
- 8.9. *Without prejudice to the generality of the above, all benefits, incentives, tax losses, unabsorbed depreciation, credits (including, without limitation income tax, goods and services tax, service tax, excise duty, applicable state value added tax, etc.) to which the Demerged Undertaking of the Demerged Company is entitled to in terms of Applicable Laws, shall be available to and vest in the Resulting Company.*
- 8.10. *Upon the Scheme becoming effective, any refunds, benefits, incentives, grants, subsidies in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company*

may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 8.11. *It is reiterated that the Demerger of the Textile Division of the Demerged Company into the Resulting Company pursuant to this scheme shall take place with effect from the Appointed Date and shall be in accordance with the provision of Section 2(19AA) and all other provisions of the of the Income Tax Act, 1961. Upon the Scheme coming into effect, for the purpose of Income Tax Act, 1961, the Resulting Company shall account for the transaction relating to the Textile Division from the Appointed Date and shall draw its books of account to the extent required to give effect to the Scheme.*

9. COMPLIANCE WITH TAX LAWS

- 9.1. *This Scheme, in so far as it relates to the demerger of the Textile Division of the Demerged Company into the Resulting Company, has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the IT Act, which include the following:*

- a) all the assets and properties of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the demerger shall become the properties of Resulting Company, respectively, by virtue of such Demerger;*
- b) all the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company, immediately before the demerger, become the liabilities of the Resulting Company by virtue of the demerger;*
- c) the property and the liabilities of the Demerged Undertaking or Undertakings being transferred by the Demerged Company are transferred at values appearing in its books of account immediately before the demerger;*

This provision shall not apply where the Resulting Company records the value of the property and the liabilities of the Undertaking at a value different from the value appearing in the books of account of the Demerged Company, immediately before the demerger, in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015.

- d) the Resulting Company issues, in consideration of the demerger, its shares to the shareholders of the Demerged Company on a proportionate basis, except where the*

Resulting Company itself is a shareholder of the Demerged Company;

- e) the shareholders holding not less than three-fourths in value of the shares in the Demerged Company (other than shares already held therein immediately before the demerger by, or by a nominee for, the Resulting Company or, its subsidiary) become shareholders of the Resulting Company by virtue of the demerger, otherwise than as a result of the acquisition of the property or assets of the Demerged Company or any undertaking thereof by the Resulting Company; and*
- f) the transfer of the Demerged Undertaking shall be on a going concern basis;*
and other relevant sections (including Sections 47 and 72A) of the IT Act.

9.2. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of a new enactment any amendment or coming into force of any provision of the IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail and this Scheme shall be modified accordingly with consent of each of the Companies (acting through their respective Board of Directors).

10. REMAINING BUSINESS AND OTHER LIABILITIES

- 10.1. The Demerged Company shall continue to carry on the Remaining Business. All the assets, liabilities and obligations pertaining to the Remaining Business arising prior to, on or after the Appointed Date including liabilities other than those transferred to the Resulting Company under Clause 1.17 of this Scheme shall continue to belong to, be vested in and be managed by the Demerged Company*
- 10.2. Save and except the Demerged Undertaking of the Demerged Company and as expressly provided in the Scheme, nothing contained in this Scheme shall effect the Remaining Business of the Demerged Company, or any other Business, assets and liabilities of the Demerged Company, which shall continue to belong to and be vested in and be managed by the Demerged Company.*

YOU ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE AFORESAID ARE ONLY SOME OF THE SALIENT EXTRACTS THEREOF.

13. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder. The certificates issued by the respective Statutory Auditors of the Applicant Companies are open for inspection at the registered office of the Demerged and Resulting Company.
14. **Details of the Directors and Key Managerial Personnel (KMP) and their respective relatives and their respective equity shareholding in each entity as on date of this notice are as follows:**

None of the Directors, Key Managerial Personnel and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the abovementioned resolution except to the extent of shareholding of the Directors/ KMP given below:

A. Janki Corp Limited:

S.No.	Name of the Directors / KMP	Shares (%) held in
		Janki Corp Limited
1.	Mr. Raghunath Mittal	15.444%
2.	Mr. Rahul Mittal	26.008%
3.	Mr. Ranu Porwal	0%
4.	Mrs. Harish Sharma	0%
5.	Miss. Aditi Kakhani	0%

B. Janki Textiles India Private Limited:

S.No.	Name of the Directors / KMP	Shares (%) held in
		Janki Textiles India Private Limited
1.	Mr. Raghunath Mittal	15.444%
2.	Mr. Rahul Mittal	26.008%

15. Statement disclosing details of Demerger as per sub-section 3 of Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016:

S.No.	Particulars	Janki Corp Limited	Janki Textiles India Private Limited
i.	Details of capital or debt restructuring, if any	Not applicable	
ii.	Benefits of the Demerger as perceived by the Board of directors to the company, members, creditors and others	Refer Para 11(vii) of the Explanatory Statement	

	(as applicable)		
iii.	Amounts due to unsecured and secured creditors as on 31 st March 2023	<u>Secured Creditors</u> INR 20,69,10,884 <u>Unsecured Creditors</u> INR 33,16,41,484	<u>Secured Creditors</u> NIL <u>Unsecured Creditors</u> NIL
iv.	If the Scheme of Arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such Scheme of Arrangement, including holding, subsidiary or associate companies	Forming part of the same Promoter group.	
v.	Disclosure about effect of the Demerger on:		
a.	Key Managerial Personnel	There will be no impact of the Scheme on the KMPs of the Applicant Companies. Further, none of the KMPs have any interest in the Scheme except to the extent of shares held by them, if any, in the Applicant Companies.	
b.	Directors	The proposed Scheme of Arrangement would not affect any Director of the Applicant Companies.	
c.	Promoters/ Non-Promoter	• The Applicant Companies have only one class of shareholders, i.e., equity shareholders.	

	s members	<ul style="list-style-type: none"> The Scheme does not affect rights and interest of the Promoter and Non-Promoter Shareholders of the Applicant Companies prejudicially.
d.	Creditors	All the liabilities and dues payable pertaining to the Demerged Undertaking of Demerged Company shall become the liabilities and dues payable of/ by Resulting Company.
e.	Depositors	As on date, the Applicant Companies do not have any outstanding public deposits or outstanding debentures and therefore, the effect of the Scheme on any such public deposit holders or deposit trustee(s) or debenture holders does not arise.
f.	Debenture Holders	
g.	Deposit trustee and debenture trustee	
h.	Employees of the Company	All the staff, workmen and other employees pertaining the Demerged Undertaking of the Demerged Company immediately before the Scheme of Arrangement shall become the staff, workmen and employees of the Resulting Company as per the details mentioned in the Scheme of Arrangement.
vi.	Disclosure about effect of Arrangement on material interest of Directors, Key Managerial Personnel and Debenture Trustee	
a.	Directors	The proposed Scheme of Arrangement would not affect any Director of the Applicant Companies.
b.	Key Managerial Personnel	No material effect of Scheme of Arrangement.
c.	Debenture Trustee	Not applicable
vii.	Details of approvals, sanctions, or no-objection(s), if any, from regulatory or any other governmental authorities required, received, or pending for the proposed Scheme of Arrangement	The Scheme is subject to approval from jurisdictional NCLT. Further, notice under Section 230(5) of Companies Act, 2013 is being submitted with the Central Government through Regional Director (North-Western Region), Ministry of Corporate Affairs, Registrar of Companies (NCT of Jaipur), Ministry of Corporate Affairs, Official Liquidator, attached to the Jaipur High Court, Jurisdictional Income Tax Authorities, in respect of the Applicant Companies.

viii.	A statement to the effect that the persons to whom the notice is sent may vote in the meeting either in person or by proxies, or where applicable, by voting through electronic means.	As per the directions of the Tribunal, and as per the discretion exercised by the Chairperson appointed for the meeting, the meeting of secured creditors of Demerged Company, is proposed to be held through VC with facility of remote e-voting, accordingly, option of attending the meeting physically at venue or through proxy is not available. Secured Creditors of the Demerged Company to whom the Notice is sent may either vote using remote e-voting system or vote during the meeting <i>via</i> VC through e-voting system.
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General:

16. The copy of draft scheme has been filed with the Registrar of Companies.
17. The National Company Law Tribunal, Jaipur Bench by its Order dated 1st June 2023, read with Rectification Order dated 16th June 2023, has dispensed with the requirement of convening the meeting(s) of the Equity Shareholders of the Applicant Companies.
18. The National Company Law Tribunal, Jaipur Bench by its Order dated 1st June 2023, read with Rectification Order dated 16th June 2023, has directed for convening of the meeting of the secured and unsecured creditors of the Demerged Company. Further, as per the discretion exercised by the Chairperson appointed for the meeting, the meeting of secured creditors of Demerged Company shall be conducted *via* Video Conferencing with facility of remote e-voting. Also, the National Company Law Tribunal, Jaipur Bench by its Order dated 1st June 2023, read with Rectification Order dated 16th June 2023 has directed for publication of notice of the said meeting in newspaper(s).
19. No investigation or proceedings have been instituted or are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against the Applicant Companies.
20. No winding up petition has been admitted against any of the Applicant Companies.
21. Copy of the notice(s) issued to the secured creditors of Demerged Company, the Scheme of Arrangement and Explanatory Statement under Section 230 of the Companies Act, 2013 have been placed on the website of the Demerged Company at <https://www.jankicorp.com/>
22. The detailed procedure for participation in the meeting through VC, remote e-voting and voting during the meeting through e-voting system is enclosed with this notice as **Annexure A**. The secured creditors desiring to attend the meeting convened through VC and to vote

during the meeting or before the meeting, using remote e-voting system, are requested to carefully follow the instructions set out in **Annexure A** to this Notice.

23. The following documents will be open for obtaining extracts from or for making or obtaining copies or inspection by the secured creditors of Demerged Company at Mandpiya Chouraha, Chittor Road, Bhilwara, Rajasthan – 311001 between 10:00 AM to 12:00 Noon on all working days, except Saturdays, Sundays and Public Holidays:
- a) Copy of the Order dated 1st June 2023 of the NCLT to be read with Rectification Order dated 16th June 2023 passed in Company Application No. CA (CAA) No. 01/230-232/JPR/2023 directing the convening of meeting of the secured creditors of Demerged Company;
 - b) Copy of the Company Application No. C.A. (CAA) CA (CAA) No. 01/230-232/JPR/2023 ;
 - c) Copy of Scheme of Arrangement;
 - d) Memorandum and Articles of Association of all Applicant Companies;
 - e) Standalone Audited financial statements of Janki Corp Limited for the year ended 31st March 2022;
 - f) Unaudited provisional financial statements of Janki Corp Limited for the period ended 30th November 2022;
 - g) Unaudited provisional financial statements of Janki Corp Limited for the period ended 15th January 2023;
 - h) Copies of the fair Share Entitlement Ratio Report dated 31st January 2023 issued by Mr. Niranjana Kumar (Registered Valuer) (IBBI Registration No.-IBBI/RV/06/2018/10137);
 - i) Certificates issued by Statutory Auditors of the Applicant Companies in relation to the accounting treatment prescribed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued thereunder;
 - j) List of secured creditors of the Demerged Company as on 31st March 2023;
 - k) Any other information, contracts or agreements material to the Demerger.
24. A copy of the Scheme and Explanatory Statement shall be furnished to the secured creditors, free of charge, within 1 (one) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the secured creditors.

Date: 23rd June 2023
Place: Jaipur
Registered Office:
JANKI CORP LIMITED
Mandpiya Chouraha, Chittor Road,
Bhilwara, Rajasthan – 311001
CIN - U17118RJ1993PLC023549

For Janki Corp Limited
Sd/-
Brij Bhushan Sharma
Chairperson

SCHEME OF ARRANGEMENT

BETWEEN

JANKI CORP LIMITED

(DEMERGED COMPANY)

AND

JANKI TEXTILES INDIA PRIVATE LIMITED

(RESULTING COMPANY)


AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

[Under Sections 230 To 232 read with Section 66 of the Companies Act, 2013 read with Rules made thereunder]

Page 1 of 24

For: Janki Corp Limited


Authorised Signatory

For Janki Textiles India Private Limited


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PREAMBLE TO THE SCHEME OF ARRANGEMENT

Background and Rationale for the Scheme of Arrangement:

1. Janki Corp Limited ('**Demerged Company**' or '**JCL**') is a public limited company incorporated under the Companies Act, 1956, and having its registered office at Mandpiya Chouraha, Chittor Road, Bhilwara, Rajasthan – 311001. Its Corporate Identity Number ('**CIN**') is U17118RJ1993PLC023549, and Permanent Account Number ('**PAN**') is AAACJ3638A. The Demerged Company was originally incorporated (and commenced business) on September 16, 1993 under the name Janki Processors Private Limited. The Demerged Company was converted to a public limited company on June 27, 2000 and subsequently, the name of the Demerged Company was changed to Janki Processors Limited on December 31, 2003.

The Demerged Company is engaged in the business of (i) processing of synthetic fabrics and manufacturing of textiles ('**Textile Business**') (ii) processing and production of steel, sponge iron and iron ore pellets. The steel production is supported by its captive energy unit providing in-house access to flying ash, charcoal, etc ('**Steel & Energy Business**') collectively referred to as '**Business**'.

2. Janki Textiles India Private Limited ('**Resulting Company**' or '**JTIPL**') is a private limited company incorporated under Companies Act, 2013 having its registered office at Mandpiya Chouraha, Chittor Road, Bhilwara, Rajasthan – 311001. Its Corporate Identity Number ('**CIN**') is U17299RJ2022PTC085354 and Permanent Account Number ('**PAN**') is AAFCJ8589H. The Company is authorized to engage in the business of textiles.

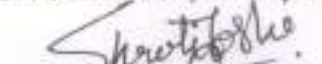
3. Rationale of the Scheme:

The Demerged Company is *inter-alia* engaged in varied business verticals namely Textile and Steel & Energy. The Steel & Energy business is highly capital driven with long gestation period and the Textile business, on the other hand, is dynamic, more volatile to domestic and international market conditions, heavily dependent on product innovations and development, which require different skill sets and capabilities.


Management believes that the risk and reward associated with each of the aforesaid business verticals are different and are at different maturity stage in their life cycles. Each business verticals have a distinct attractiveness to divergent set of investors. With a view to unlock the potential of each of the business verticals, the management intends to demerge the Textile Division, on a going concern basis, into the Resulting Company. It is intended for the Demerged Company to focus on the Steel & Energy Business and the Resulting Company to focus on the Textile Business. The management believes that such concentrated efforts shall benefit all stakeholders of the Demerged Company and Resulting Company, respectively. The Scheme is expected to result in the following benefits:

- a. Facilitate focused growth, concentrated approach, business synergies and increased operational and customer focus for respective business verticals.

For: Janki Corp Limited


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For Janki Textiles India Private Limited


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- b. Rationalization of operations with greater degree of operational efficiency and optimum utilization of various resources.
- c. Lead to clear strategic direction on account of segregation of the various businesses in which the Demerged Company is engaged, viz. Textile business and Steel & Energy business.
- d. The Resulting Company, with clear identity of being in a Textile Business, will enable right customer attention resulting in deeper market penetration.
- e. Ability to leverage financial and operational resources in each business verticals will lead to possibilities of joint ventures and associations with other Industry participants, both in India and globally, and will facilitate attracting greater talent pool.
- f. Each business will be able to address independent business opportunities with efficient capital allocation and attract different set of investors, strategic partners, lenders and other stakeholders, thus leading to enhanced value creation for shareholders, which would be in the best interest of the Demerged Company and Resulting Company and their respective stakeholders connected therewith.

The Scheme is not, in any manner, prejudicial or against public interest and would serve the interest of all shareholders, creditors or any other stakeholders.

This Scheme of Arrangement is divided into following parts:

- (i) **Part A** – dealing with definitions and share capital;
- (ii) **Part B** – dealing with demerger of Textile Division of the Demerged Company into the Resulting Company; and
- (iii) **Part C**–General / residuary terms and conditions that are applicable to this scheme.

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PART A

1. DEFINITIONS

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

- 1.1. **"Act"** means the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force.
- 1.2. **"Applicable Law(s)"** means any statute, notification, by-laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, directives, notices, orders or instructions enacted or issued or sanctioned by any appropriate authority, including any modification or re-enactment thereof for the time being in force.
- 1.3. **"Appointed Date"** means the opening of business hours on April 1, 2023, or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority;
- 1.4. **"Board of Directors"** in relation to the Demerged Company and/or the Resulting Company, as the case may be, means their respective Board of Directors and shall, unless repugnant to the context or otherwise, include a committee of directors or any person authorized by the Board of Directors or such committee of directors.
- 1.5. **"Demerged Company"** means Janki Corp Limited, a company incorporated under the Indian Companies Act, 1956 and having its registered office at Mandpiya Chouraha, Chittor Road, Bhilwara, Rajasthan-311001. Its Corporate Identity Number is U17118RJ1993PLC023549 and Permanent Account Number is AAACJ3638A.
- 1.6. **"Demerged Undertaking" or "Demerged Business"** means Textile Division of Janki Corp Limited.
- 1.7. **"Effective Date"** means the date or last of the dates on which certified copies of the order of the NCLT sanctioning the scheme are filed by the Demerged Company and the Resulting Company with the registrar of companies. References in this scheme to the date of "coming into effect of this scheme" or "upon the scheme becoming effective" shall mean the effective date.
- 1.8. **"IT Act"** means the Indian Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.9. **"NCLT"** means the Jaipur Bench or any other jurisdictional Bench of National Company Law Tribunal as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Companies Act, 2013.
- 1.10. **"Redeemable Preference Shares"** means the non-convertible non-cumulative 0.01% redeemable preference shares issued by Janki Textiles India Private Limited, the Resulting Company as a consideration pursuant to the Scheme of Arrangement, on such terms as mentioned in Clause 6.4.

For: Janki Corp Limited

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For Janki Textiles India Private Limited

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- 1.11. **"Record Date"** means the date to be fixed by the Board of Directors of the Demerged Company, for the purpose of determining the members of the Demerged Company to whom shares in the Resulting Company will be allotted under the scheme.
- 1.12. **"Remaining Business"** means all the undertakings, businesses, activities and operations of the Demerged Company other than the Textile Business.
- 1.13. **"The Resulting Company"** means Janki Textiles India Private Limited, a company incorporated under the Companies Act, 2013 and having its registered office at Mandpiya Chouraha, Chittor Road, Bhilwara, Rajasthan - 311001. It's Corporate Identity Number is U17299RJ2022PTC085354 and its Permanent Account Number is AAFCJ8589H.
- 1.14. **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form or with any modification(s) made under Clause 17 of this Scheme or as approved or directed by the NCLT.
- 1.15. **"Share Entitlement Ratio Report(s)"** means and refers to the certificate issued by Mr. Niranjan Kumar, Registered Valuer, dated January 31, 2023.
- 1.16. **"Tax"** or **"Taxes"** shall mean all outgoings or dues or liabilities, crystallized or contingent, on account of taxes on net income, gross income, gross receipts, sales, use, services, ad valorem, value-added, capital gains, corporate income tax, minimum alternate tax, buyback distribution tax, dividend distribution tax, transfer, franchise and profits; withholding tax; property tax; water tax; any tax payable in a representative capacity, goods and service tax; service tax, value-added tax, duties of custom and excise, octroi duty, entry tax, stamp duty, other governmental charges or duties or other taxes or statutory payments in relation to contract labour and/ or other contractors and/ or sub-contractors, statutory pension or other employment benefit plan contributions, fees, assessments or charges of any kind whatsoever, including any surcharge or cess thereon, together with any interest and any penalties, additions to tax or additional amount with respect thereto; and Taxation will be construed accordingly.
- 1.17. **"Textile Division"** or **"Textile Business"** means and includes the undertaking of the Demerged Company related to Textile Division consisting, inter-alia, all assets, including movable and immoveable properties and all liabilities relating thereto, whether or not recorded in the books of accounts. Assets and Liabilities of the Textile Division shall, inter-alia, mean and include:
- a) The assets (whether real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) pertaining to the Textile Division of the Demerged Company including but not limited to licenses (of any nature whatsoever), furniture, fixtures, appliances, accessories, vehicles, power plants, deposits, all stocks, assets, working capital, all customer/vendor contracts, contingent rights or benefits, entitlements, trademarks, logo, copyright, patent, brand/trade name, knowledge, innovations, goodwill, whether or not recorded or appearing in the books of accounts of the Demerged Company and/or the Resulting Company (pursuant to this Scheme) in terms of the applicable accounting

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standards, belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Textile Division;

- b) All deposits, advances, loans, receivables, funds, staff advances, advance payments to regulatory authorities, cash, bank balances, accounts and all earnest money and/or deposits including security deposits made / paid by the Demerged Company in connection with or relating to the Textile Division;
- c) The liabilities pertaining to / arising out of the activities or operations of the Textile Division, inter-alia, including the following:
- All liabilities which arise out of the activities or operations of the Textile Division.
 - Specific loans and borrowings raised, term loans from banks and financial institutions (if any), bank overdrafts, working capital loans & liabilities, incurred and utilized solely for the activities or operations of the Textile Division;
 - Liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Demerged Company, if any, allocated to the Textile Division in the same proportion in which the value of the assets (ignoring the revalued amount) transferred under this Scheme bear to the total value of the assets of the Demerged Company immediately before giving effect to this Scheme;

Provided however that any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Textile Division or whether it arises out of the activities or operations of the Textile Division shall be decided by mutual agreement between the Board of Directors of the Demerged Company and the Resulting Company;

- d) All employees of the Demerged Company employed in/ or relating to the Textile Division as on the Effective Date, and as identified by the Board of Directors of the Demerged Company;
- e) All books, records, files, papers, computer software along with their licenses, manuals and backup copies, drawings, data catalogues, and other data and records, whether in physical or electronic form, directly or indirectly in connection with or relating to the Textile Division

Without prejudice to the generality of the foregoing, it is clarified that all rights, entitlements, consents, permissions, licenses, certificates, authorizations relating to the Textile Division shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company. Further, all benefits or incentives including income tax, sales tax (including deferment of sales tax), goods and service tax, value added tax and any other direct or indirect tax(es) benefits in respect of the Textile Division for which the Demerged Company is entitled to in terms of the various statutes and/or schemes of Union and State Governments, shall be available to and vest in the Resulting Company.

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1.18. "TDS" means Tax Deducted at Source;

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other Applicable Laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

2. In this Scheme, unless the context otherwise requires:

- a) words denoting the singular shall include the plural and vice versa;
- b) headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- c) references to the word "include" or "including" shall be construed without limitation;
- d) a reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section, or part of this Scheme;
- e) unless otherwise defined, the reference to the word "days" shall mean calendar days;
- f) reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- g) word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and
- h) All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws, rules, regulations, byelaws, as the case may be, or any statutory modification or re-enactment thereof for the time being in force.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 3.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT, shall take effect from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL

- 4.1. The share capital of the Demerged Company as on 30th November 2022 was as under:

Particulars	(Amount in INR)
Authorized Capital	
5,00,00,000 Equity shares of INR 10 each	50,00,00,000
Total	50,00,00,000
Issued, Subscribed and Paid-up	

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3,13,53,600 Equity shares of INR 10 each	31,35,36,000
Total	31,35,36,000

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Demerged Company.

- 4.2. The share capital of the Resulting Company as per latest provisional accounts as on 15th January 2023 was as under:

Particulars	(Amount in INR)
Authorized Capital	
1,50,000 Equity shares of INR 10 each	15,00,000
Total	15,00,000
Issued, Subscribed and Paid-up	
62,708 Equity shares of INR 10 each	6,27,080
Total	6,27,080

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Resulting Company, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Resulting Company.

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**DEMERGER OF THE TEXTILE DIVISION OF THE DEMERGED COMPANY INTO THE
RESULTING COMPANY**

5. VESTING OF UNDERTAKING

With effect from the Appointed Date, and subject to the provisions of the Scheme, the Textile Division of the Demerged Company, as defined in Clause 1.17 above, shall subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act, and without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Resulting Company, as a going concern, in the following manner:

- 5.1. With effect from the Appointed Date, the whole of the undertaking and properties comprising all tangible and intangible assets including but not limited to all kinds of contingent rights or benefits, entitlements, licenses (of any nature whatsoever), trademarks, logo, copyright, patent, brand/trade name, knowledge, innovations, goodwill, whether or not recorded or appearing in the books of accounts of the Demerged Company pertaining to the Textile Division, as aforesaid, shall, under the provisions of Sections 230 to 232 of the Act and any other relevant provisions of the Act, if any, without any further act or deed, be transferred to and be vested in and/or be deemed to be transferred to the Resulting Company so as to vest in the Resulting Company all the rights, title and interest pertaining to the Textile Division of the Demerged Company.
- 5.2. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Company relating to the Textile Division, as defined in Clause 1.17 above, shall, under the provisions of Sections 230 to 232 of the Act and any other relevant provisions of the Act, without any further act or deed, be transferred to and/or deemed to be transferred to the Resulting Company as the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 5.3. The vesting of the Textile Division as aforesaid, shall be subject to the existing securities, charges, hypothecation and mortgages, if any, subsisting in relation to any loans or borrowings of the Textile Division, provided however, any reference in any security documents or arrangements to which the Demerged Company is a party, wherein the assets of the Textile Division have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the assets pertaining to the Textile Division as are vested in the Resulting Company as per the Scheme, to the end and intent that any such security, charge, hypothecation and mortgage shall not extend or be deemed to extend to any of the other assets of the Demerged Company or any other assets of the Resulting Company. Provided further, that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any

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part thereof of the Resulting Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation and mortgages shall not extend or be deemed to extend to any of the other assets of Resulting Company.

- 5.4. With effect from the Appointed Date and upon the Scheme becoming effective any statutory licenses, certificates, permissions, unique identification numbers, registrations or approval or consents held by the Demerged Company required to carry on operations in the Demerged Undertaking shall stand vested in or transferred and deem to be transferred to and vested to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. The Resulting Company and/or the Demerged Company shall file intimation with the relevant authorities, who shall take the same on record, or undertake necessary actions as may be required, for having the said licenses, certificates, permissions, registration, unique identification numbers, etc. vested or transferred to the Resulting Company.
- 5.5. With effect from the Appointed Date, all documents of title, deeds, papers, contracts, licenses etc. pertaining to the Textile Division shall be handed over to the Resulting Company.
- 5.6. With effect from the Appointed Date, the transfer and vesting of the assets of the Demerged Company relating to the Textile Division shall be affected as follows:
- 5.6.1. The immovable properties including land, building and structures, if any, belonging to and/or vested in the Textile Division shall be transferred to and vested in or deemed to have been transferred to the Resulting Company. With effect from the Appointed Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes, if any, and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of the Resulting Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the NCLT and this Scheme becoming effective in accordance with the terms hereof.
- 5.6.2. Notwithstanding anything contained in this Scheme, the immovable properties of the Demerged Company pertaining to the Demerged Undertaking situated in different states, whether owned or leased, for the purpose of, inter alia, payment of stamp duty, and vesting into the Resulting Company and if the Resulting Company so decides, the concerned parties, upon the Scheme becoming Effective, shall execute or register or cause so to be done, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value as determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of the Scheme.
- 5.6.3. All the movable assets of the Textile Division or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand shall be

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physically handed over by manual delivery to the Resulting Company to the end and intent that the property therein passes to the Resulting Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Resulting Company accordingly.

- 5.6.4. In respect of movable assets, other than those specified in sub-clause 5.6.3. above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, pursuant to the order of the NCLT, the said debt, loan, advances, etc. would be paid or made good or held on account of the Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands extinguished, and that such rights to recover or realize the same shall vest in the Resulting Company. Pursuant to the order of the NCLT sanctioning the Scheme, each person, debtor or depositor of the Textile Division of the Demerged Company would pay the debt, loan or advance or make good the same or hold the same to the account of the Resulting Company and that the right of the Resulting Company to recover or realize the same would be in substitution of the right of the Demerged Company.
- 5.7. Any loans or other obligations, if any, due between the Textile Division of the Demerged Company and the Resulting Company or any other transactions between the Textile Division of the Demerged Company and the Resulting Company as on the Appointed Date, shall stand automatically extinguished.
- 5.8. All taxes, duties, cess payable by the Demerged Company relating to the Textile Division and all or any refunds/credit (including cenvat credits)/claims relating thereto shall be treated as the liability or refunds/credit/claims, as the case may be, of the Resulting Company.
- 5.9. The experience, track record, knowledge, innovations and credentials of the Demerged Company in relation to the Demerged Undertaking in dealing with identified products and/or services in relation to various authorities, agencies and clients prior to its transfer to the Resulting Company shall be taken into account and treated and recognize as the experience, track record, knowledge, innovations and credentials in relation to such Demerged Undertaking even after its transfer to the Resulting Company.
- 5.10. On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company pertaining to the Demerged Undertaking, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.

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- 5.11. This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect other parts of the Scheme.

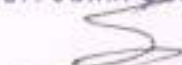
6. CONSIDERATION

- 6.1. Upon the Scheme coming into effect and in consideration of the transfer and vesting of the Demerged Undertaking of Demerged Company with the Resulting Company pursuant to this Scheme and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent or instrument, issue and allot, on a proportionate basis, to each shareholder of the Demerged Company, whose name is recorded in the register of members as member of the Demerged Company as on the Record Date, as follows:

"1 (One) 0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of JTIPL of face value of INR 1 each fully paid up shall be issued for every 1 (One) equity share held in JCL having face value of INR 10 each fully paid up"

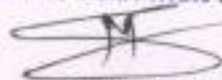
- 6.2. The aforesaid ratio for the issue of Redeemable Preference Shares by the Resulting Company against the equity shares held by the shareholders in the Demerged Company is based on the recommendations made in the Share Entitlement Report dated January 31, 2023 issued by Mr. Niranjana Kumar, Registered Valuer, having IBBI registration No – IBBI/RV/06/2018/10137.
- 6.3. Redeemable Preference Shares to be issued and allotted in terms hereof will be subject to the Memorandum of Association and Articles of Association of the Resulting Company and shall be deemed to be in compliance with the provisions of the Act or any law for the time being in force.
- 6.4. The terms of issue of 0.01% Redeemable Preference Shares have been specified in Schedule I.
- 6.5. If necessary, the Resulting Company shall before allotment of the Redeemable Preference Shares in terms of the Scheme, increase its authorized share capital by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.
- 6.6. The Redeemable Preference Shares shall be issued in physical form to the shareholders of the Demerged Company, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/or its Registrar.
- 6.7. The Redeemable Preference Shares to be issued by the Resulting Company in respect of any equity shares of the Demerged Company which are held in abeyance under the provision of section 126 of the Act or otherwise, shall also be kept in abeyance.

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- 6.8. The approval of this Scheme by the requisite majority of shareholders of the Resulting Company shall be deemed to be in due compliance of the provisions of Section 55, 42, 62 of the Act, and other relevant and applicable provisions of the Act for the issue and allotment of Redeemable Preference Shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.
- 6.9. The issue and allotment of the shares by the Resulting Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by the Resulting Company as if the procedure laid down under the relevant applicable provisions of the Act were duly complied with.

7. ACCOUNTING TREATMENT

7.1. In the books of the Demerged Company:

Upon the Scheme becoming effective and with effect from the Appointed Date, the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall be accounted for, in the books of the Demerged Company in accordance with applicable Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and generally accepted accounting principles in India as amended from time to time including as provided herein below:

- 7.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date, all inter-company balances (if any) between the Demerged Company (in relation to the Demerged Undertaking) and Resulting Company, in the books of accounts of the Demerged Company shall stand reduced and adjusted in reserves;
- 7.1.2. Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall de-recognize the carrying values of all assets and liabilities (including Textile Business reserves) pertaining to the Textile Business;
- 7.1.3. The difference between the book value of assets and liabilities (including Textile Business reserves) pertaining to the Textile Business shall be adjusted against the Profit & Loss Accounts;
- 7.1.4. Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the accounting standards applicable to the Demerged Company.

7.2. In the books of the Resulting Company

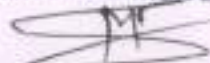
Upon the Scheme becoming effective and with effect from the Appointed Date, the demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall be accounted for, in the books of Resulting Company, in accordance with the accounting standards as applicable under section 133 of the Act and relevant rules issued thereunder as amended from time to time. It would inter alia include the following:

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- 7.2.1. Upon the Scheme becoming effective and with effect from the Appointed Date, all inter-company balances (if any) between the Demerged Company (in relation to the Demerged Undertaking) and Resulting Company, in the books of accounts of the Resulting Company shall stand reduced and adjusted in reserves;
- 7.2.2. The Resulting Company shall record the assets and liabilities (including Textile Business reserves) pertaining to the Textile Business, transferred to and vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Demerged Company as on the Appointed Date;
- 7.2.3. The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the Redeemable Preference Shares issued by it to the members of the Demerged Company pursuant to Clause 6.1 of this Scheme;
- 7.2.4. The identity of the reserves transferred by the Demerged Company to Resulting Company pertaining to the Textile Business of the Demerged Company ('**Transferred Reserves**') shall be preserved and vested in it and shall appear in the financial statements of Resulting Company in the same form and manner, in which they appeared in the financial statements of the Demerged Company prior to Scheme becoming effective;
- 7.2.5. The difference between the Net Assets (i.e. the difference between the book value of assets and liabilities as on the Appointed Date) transferred from the Demerged Company pursuant to Clause 7.2.2, if any, and aggregate of the share capital issued pursuant to Clause 7.2.3 and the Transferred Reserves pursuant to Clause 7.2.4 and after giving effect to inter-company balances, if any, shall be adjusted against Capital Reserve. If the balance of capital reserve is negative (debit balance), the same shall be adjusted against the Profit & Loss Account in the books of the Resulting Company.
- 7.2.6. In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail and the difference shall be adjusted appropriately.
- 7.2.7. Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the accounting standards applicable to the Resulting Company.

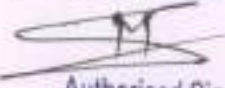
8. CONDUCT OF BUSINESS

- 8.1. Subject to Clause 5 of the Scheme, as and from the date of approval of this Scheme by the Board of Directors of the Demerged Company and the Resulting Company and till the Effective Date, the Demerged Company:
 - 8.1.1. Shall carry on the business activities of the Textile Division with reasonable care and diligence and in the same manner as it had been doing hitherto;
 - 8.1.2. Shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees in relation to the Textile Division.

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- 8.2. With effect from the Effective Date, the Resulting Company shall continue and carry on and shall be authorized to carry on the businesses carried on by the Textile Division of the Demerged Company.

9. EMPLOYEES OF DEMERGED UNDERTAKING

- 9.1. Upon the Scheme becoming effective, all employees of the Demerged Undertaking ('**Transferred Employee**') in service as on the Effective Date shall be deemed to have become the employees of the Resulting Company with effect from the Appointed Date without any interruption in their service as a result of the transfer of the Demerged Undertaking to the Resulting Company on the same terms and conditions of employment as were with the Demerged Company. On the basis of continuity of service, the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them with reference to the Demerged Undertaking of the Demerged Company as on the Effective Date.
- 9.2. The existing provident fund trust and pension fund trust, gratuity fund, superannuation fund, NPS fund or any other fund, as applicable, for the transferred employees of the Demerged Undertaking shall be continued for the benefit of such employees including employees who may hereafter join the Resulting Company on the same terms and conditions and with effect from such date, the Resulting Company shall make the necessary contribution for such employees taken over by the Resulting Company until the Resulting Company constitutes its own provident fund, gratuity fund, superannuation fund or any other special fund and obtains necessary approval for the same. Upon the Scheme being effective, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such trust or fund or in relation to the obligations to make a contribution to the said funds in accordance with the provisions of the trust or funds or according to the terms provided in the respective trust deeds or other documents. The Resulting Company undertakes to discharge all the duties and obligations and assumes all the rights and powers of the Demerged Company, upon the Scheme being effective, in relation to aforesaid trusts or funds of the Demerged Company in relation to the Demerged Undertaking. The services of the staff, workmen and other employees of the Demerged Undertaking will be treated as having been continuous for the purposes of the aforesaid trusts/ funds or provisions of any trust/ funds for employees. The amount of liability in respect of gratuity and leave (determined as the sum payable on the Appointed Date as if the same were due) relating to the employees of the Demerged Undertaking shall be appropriately adjusted by the Demerged Company and transferred to the Resulting Company.
- 9.3. The Resulting Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/ employees by the Demerged Company in relation to the Demerged Undertaking. The Resulting Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such employees with the Demerged Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

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10. LEGAL PROCEEDINGS

- 10.1. If any legal, taxation or other proceedings of whatever nature, whether civil or criminal (including before any statutory or quasi judicial authority or tribunal) (the "Proceedings") by or against Demerged Company in relation to the Demerged Undertaking is pending/ arising at the Appointed Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Demerged Undertaking or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against Resulting 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 JCL as if the Scheme had not been made. On and from the Effective Date, Resulting Company, as the case may be, shall and may initiate any legal proceedings for and on behalf of Demerged Undertaking.
- 10.2. It is clarified that after the Appointed Date, in case the Proceedings referred above with respect to the Demerged Undertaking of Demerged Company, cannot be transferred for any reason, Demerged Company shall prosecute or defend the same at the cost of and in consultation with Resulting Company, and Resulting Company shall reimburse, indemnify and hold harmless Demerged Company against all liabilities and obligations incurred by Demerged Company in respect thereof.
- 10.3. In the event that the Proceedings referred to above, require Demerged Company and Resulting Company to be jointly treated as parties thereto, Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Demerged Company.
- 10.4. Pending the sanction of the Scheme, Demerged Company in relation to the Demerged Undertaking shall, in consultation with Resulting Company, continue to prosecute, enforce or defend, the proceedings, whether pending or initiated pending the sanction of the Scheme.
- 10.5. Subsequent to the Appointed Date, if any proceedings are initiated by any third party (including regulatory authorities) by or against the Textile Division of the Demerged Company under any statute, such proceedings shall be continued and enforced only against the Resulting Company and the Resulting Company shall bear the liabilities of such proceedings at its own cost. Demerged Company shall extend all its assistance to defend the liabilities of such proceedings at the cost of the Resulting Company.

11. TREATMENT OF TAXES

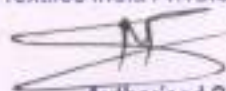
- 11.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable, if any, by the Demerged Company (including but not limited to the IT Act, Goods and Services Tax, Customs Act, Central Excise Act, State Sales Tax laws, Central Sales Tax Act, VAT/ Service tax and all other Applicable Laws), accruing and relating to the Textile Division from the Appointed Date onwards, including all advance tax payments, TDS, minimum alternate tax, any refund and claims shall, for all purposes, be treated as advance tax payables or payments, TDS, minimum alternate tax or refunds and claims, as the case may be, of the Resulting Company.

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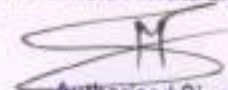
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- 11.2. Upon this Scheme becoming effective, all existing and future incentives, unavailed credits and exemptions/deductions (including Section 80JAA, wherein Demerged Company and the Resulting Company shall be eligible to claim deduction under aforesaid section post taking into account requisite changes (including but not limited to no. of additional employees) arising pursuant to this Scheme) otherwise admissible to the Demerged Company including deduction admissible on actual payment or on deduction of appropriate taxes or on payment of tax deducted at source (including, but not limited to, under Section 43B, Section 40, Section 40A, etc. of the IT Act), subsidies, grants, Taxes, and tax credit/ incentives (including but not limited to credits/incentives in respect of income tax, value added tax, sales tax, service tax, goods and services tax etc.), deferred tax benefits, advance tax, minimum alternate tax, benefit of carried forward losses, unabsorbed tax depreciation, tax holidays and other statutory benefits, including in respect of income tax (including TDS, tax collected at source, advance tax, minimum alternate tax credit etc.), cenvat, customs, value added tax, sales tax, service tax, goods and services tax etc. relating to the Textile Division to which the Demerged Company is entitled / obliged to shall be available to and vest in the Resulting Company, without any further act or deed.
- 11.3. Upon this Scheme becoming effective, the Demerged Company and the Resulting Company are permitted to revise or modify, as the case may be, and file their respective income tax returns, withholding tax returns, including TDS certificates, goods and services tax, sales tax/value added tax returns, service tax returns and other tax returns, and to claim refunds/credits/exemptions/deductions, if any, as may be required for the purpose of /consequent to the implementation of the Scheme.
- 11.4. The Board of Directors of the Demerged Company and the Resulting Company shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Textile Division and whether the same would be transferred to the Resulting Company or decide on any other matters.
- 11.5. Upon the Scheme becoming effective, any TDS deposited, TDS certificates issued or TDS returns filed by the Demerged Company, if any, relating to the Textile Division shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Resulting Company.
- 11.6. All the expenses incurred by the Demerged Company and the Resulting Company in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Demerged Company and the Resulting Company in accordance with the Section 35DD of the IT Act over a period of 5 (five) years beginning with the previous year in which the Scheme becomes effective.
- 11.7. Any refund under the tax laws due to the Demerged Company pertaining to the Textile Division consequent to the assessments made on the Demerged Company 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 the Resulting Company. The relevant authorities shall be bound to transfer to the account of and give credit for the same to the Resulting Company upon this Scheme becoming effective upon relevant proof and documents being provided to the said authorities.

For: Janki Corp Limited


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For Janki Textiles India Private Limited


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- 11.8. Any tax liabilities under the income tax laws, service tax laws, goods and services tax laws, excise duty laws, applicable state value added tax laws or other Applicable Laws/regulations dealing with taxes/ duties/ levies applicable to the Demerged Undertaking of the Demerged Company to the extent not provided for or covered by tax provisions in the accounts made as on the Appointed Date shall be transferred to the Resulting Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, relating to the Demerged Undertaking, as on the Appointed Date will also be transferred to the account of the Resulting Company.
- 11.9. Without prejudice to the generality of the above, all benefits, incentives, tax losses, unabsorbed depreciation, credits (including, without limitation income tax, goods and services tax, service tax, excise duty, applicable state value added tax, etc.) to which the Demerged Undertaking of the Demerged Company is entitled to in terms of Applicable Laws, shall be available to and vest in the Resulting Company.
- 11.10. Upon the Scheme becoming effective, any refunds, benefits, incentives, grants, subsidies in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 11.11. It is reiterated that the Demerger of the Textile Division of the Demerged Company into the Resulting Company pursuant to this scheme shall take place with effect from the Appointed Date and shall be in accordance with the provision of Section 2(19AA) and all other provisions of the of the Income Tax Act, 1961. Upon the Scheme coming into effect, for the purpose of Income Tax Act, 1961, the Resulting Company shall account for the transaction relating to the Textile Division from the Appointed Date and shall draw its books of account to the extent required to give effect to the Scheme.

12. CONTRACTS, DEEDS, ETC.

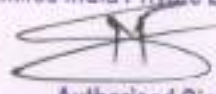
- 12.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments including any contract for exploitation of intellectual property rights and all other rights, title, interest, labels and brand registrations, copyrights, patents, trademarks, trade names, licenses, entitlements and other industrial or intellectual property rights of any nature whatsoever, pertaining to the Textile Division to which the Demerged Company is party and which are subsisting or having effect on the Effective Date, shall be in full force and effect against or in favor of the Resulting Company, as the case may be, and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto. Further, all contracts with third parties relating to the Textile Division to which the

For: Janki Corp Limited



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For Janki Textiles India Private Limited




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Demerged Company is party, shall be in full force and effect against or in favor of the Resulting Company. The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

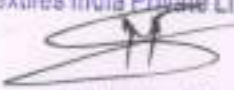
13. SAVING OF CONCLUDED TRANSACTIONS

- 13.1. The transfer of properties and liabilities under Clause 5 above and the continuance of proceedings by or against the Demerged Company under Clause 10 above shall not affect any transaction or proceedings already concluded, if any, by the Demerged Company till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in respect thereto.

For: Janki Corp Limited


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For Janki Textiles India Private Limited


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PART C

GENERAL CONDITIONS

14. COMPLIANCE WITH TAX LAWS

14.1. This Scheme, in so far as it relates to the demerger of the Textile Division of the Demerged Company into the Resulting Company, has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the IT Act, which include the following:

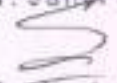
- a) all the assets and properties of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the demerger shall become the properties of Resulting Company, respectively, by virtue of such Demerger;
- b) all the liabilities relating to the Demerged Undertaking, being transferred by the Demerged Company, immediately before the demerger, become the liabilities of the Resulting Company by virtue of the demerger;
- c) the property and the liabilities of the Demerged Undertaking or Undertakings being transferred by the Demerged Company are transferred at values appearing in its books of account immediately before the demerger;

This provision shall not apply where the Resulting Company records the value of the property and the liabilities of the Undertaking at a value different from the value appearing in the books of account of the Demerged Company, immediately before the demerger, in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015.

- d) the Resulting Company issues, in consideration of the demerger, its shares to the shareholders of the Demerged Company on a proportionate basis, except where the Resulting Company itself is a shareholder of the Demerged Company;
 - e) the shareholders holding not less than three-fourths in value of the shares in the Demerged Company (other than shares already held therein immediately before the demerger by, or by a nominee for, the Resulting Company or, its subsidiary) become shareholders of the Resulting Company by virtue of the demerger, otherwise than as a result of the acquisition of the property or assets of the Demerged Company or any undertaking thereof by the Resulting Company; and
 - f) the transfer of the Demerged Undertaking shall be on a going concern basis;
- and other relevant sections (including Sections 47 and 72A) of the IT Act.

14.2. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of a new enactment any amendment or coming into force of any provision of the IT Act or any other law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail and this Scheme shall be modified accordingly with consent of each of the Companies (acting through their respective Board of Directors).

15. REMAINING BUSINESS AND OTHER LIABILITIES

For: Janki Corp Limited

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For Janki Textiles India Private Limited

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- 15.1. The Demerged Company shall continue to carry on the Remaining Business. All the assets, liabilities and obligations pertaining to the Remaining Business arising prior to, on or after the Appointed Date including liabilities other than those transferred to the Resulting Company under Clause 1.17 of this Scheme shall continue to belong to, be vested in and be managed by the Demerged Company.
- 15.2. Save and except the Demerged Undertaking of the Demerged Company and as expressly provided in the Scheme, nothing contained in this Scheme shall effect the Remaining Business of the Demerged Company, or any other Business, assets and liabilities of the Demerged Company, which shall continue to belong to and be vested in and be managed by the Demerged Company.


16. APPLICATION TO THE NCLT

- 16.1. The Demerged Company and the Resulting Company shall make all necessary applications under Sections 230 to 232 read with section 66 and other applicable provisions of the Act to the NCLT for seeking approval of the Scheme.

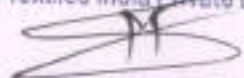
17. MODIFICATION OR AMENDMENT TO THE SCHEME

- 17.1. The Demerged Company and the Resulting Company (through their respective Board of Directors) are empowered and authorized:
- a) To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the NCLT and/or any authorities under law or their respective Boards may deem fit to approve or direct or which may be considered necessary due to any change in law or as may be otherwise be deemed expedient or necessary; and
 - b) To settle all doubts or difficulties that may arise in carrying out the scheme and to do and execute all acts, deeds matters and things on behalf of the companies, necessary, desirable or proper for putting the Scheme into effect, including entering into the transitional arrangements, arrangements for carrying out or performing all such formalities or compliances as may be deemed proper and necessary for effecting transfer and vesting of the properties of the Demerged Undertaking and deciding any question that may arise as to whether whole or part of specific asset or liabilities pertain or does not pertain or arises out of the activities or operations of any such undertaking or whether a specific employee is or is not substantially engaged in relation to the Demerged Undertaking.
- 17.2. The Demerged Company and the Resulting Company by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, or if considered necessary, for withdrawal of the Scheme, whether by reason of any directive or order of any other authorities or due to any business/ commercial reason as may be decided by the Board or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

For: Janki Corp Limited


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For Janki Textiles India Private Limited


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- 17.3. For matters not specifically addressed in the Scheme relating to accounting, the Board of Directors of the Demerged Company/Resulting Company is authorized to account for the balances in their respective books of accounts in the manner, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Central Government as may be amended from time to time and the Generally Accepted Accounting Principles in India in consultation with the Auditors.

18. SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

- 18.1. This Scheme is and shall be conditional upon and subject to:
- a) The Scheme being approved by the requisite majority in number and value of the various class of shareholders and/or creditors (where applicable) of the Demerged Company and the Resulting Company respectively, as required under the Act and as may be directed by the NCLT,
 - b) The Scheme being sanctioned by the NCLT or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
 - c) Certified copies of the order of the NCLT sanctioning the Scheme being filed with the concerned Registrar of Companies, by the Demerged Company and the Resulting Company respectively.

19. EFFECT OF NON RECEIPT OF APPROVALS

- 19.1. In the event that the scheme is not sanctioned by the NCLT or in the event any of the other requisite consents, approvals, permissions, sanctions or conditions are not obtained or complied with or for any other reason, the scheme cannot be implemented, the scheme shall not take effect and shall be withdrawn and in that event no rights or liabilities, whatsoever, shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person.

20. DIVIDENDS

- 20.1. The Demerged Company and the Resulting Company shall be entitled to declare and make a distribution/pay dividend, whether interim or final, and/or issue bonus shares, to their respective members/shareholders prior to the Effective Date in accordance with Applicable Laws.
- 20.2. It is clarified that the aforesaid provisions in respect of making distributions, declaring dividends or issuing bonus shares are enabling provisions only and shall not be deemed to confer any right on any members of the Companies to demand or claim any distributions, dividends or bonus shares which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of the Companies, subject to the approval of the shareholders, as may be required.

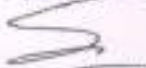
21. COMPLIANCE WITH APPLICABLE LAWS

- 21.1. The Companies undertake to comply with all Applicable Laws including making the requisite intimations and disclosures to any statutory or regulatory authority and obtaining the requisite consent, approval or permission of the Central Government (if required) or any other statutory or regulatory authority, which by law may be required for the implementation of this Scheme or which by law may be required in relation to any matters connected with this Scheme


22. COSTS

- 22.1. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company.

For: Janki Corp Limited


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For Janki Textiles India Private Limited


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SCHEDULE 1

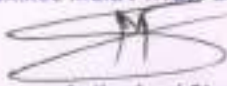
1. TERMS OF ISSUE OF 0.01% NON-CONVERTIBLE NON-CUMULATIVE REDEEMABLE PREFERENCE SHARES

- a. Face value, Issue price and other terms
Redeemable Preference Shares issued by the Resulting Company shall have a face value of INR 1/- each and be issued at INR 1/- per share.
- b. Coupon
Redeemable Preference Shares shall subject to the provisions of the Articles of Association of Janki Textiles India Private Limited and the Act confer the holders thereof a right to fixed preferential dividend of 0.01% per annum on issue price of INR 1/- each in priority to the equity shares.
- c. Voting Rights
The holder of Redeemable Preference Shares of Janki Textiles India Private Limited shall have the right to vote in general meeting in accordance with Section 47(2) of the Companies Act 2013.
- d. Redemption
Redeemable Preference Shares shall be redeemable at par, i.e., INR 1/- per share, redeemed in one or more tranches anytime on or before the expiry of 20 years from the date of allotment.
- e. Winding-up
In the event of winding up of Janki Textiles India Private Limited, the holders of Janki Textiles India Private Limited's Redeemable Preference Shares shall have a right to receive the issue price, i.e., INR 1/- per share and arrears of dividend, whether declared or not, up to the commencement of winding up, in priority to any paid-up capital on the equity shares out of the surplus but shall not have any further rights to participate in the profits of the assets of Janki Textiles India Private Limited.

For: Janki Corp Limited

Authorised Signatory

For Janki Textiles India Private Limited


Authorised Signatory

Date: 31st January 2023

To,
The Board of Directors
Janki Corp Limited
Mandpiya Chouraha,
Chittor Road, Bhilwara,
Rajasthan – 311001
Rajasthan

To,
The Board of Directors
Janki Textiles India Private Limited
Mandpiya Chouraha,
Chittor Road, Bhilwara,
Rajasthan – 311001
Rajasthan

Subject: Recommendation of fair share entitlement ratio for the proposed demerger of the “Textile Business” of Janki Corp Limited into Janki Textiles India Private Limited.

Dear Sir,

We refer to the engagement letter dated 2nd January 2023 and discussions held with the Management of Janki Corp Limited (hereinafter referred to as ‘JCL’ or ‘Demerged Company’) and Janki Textiles India Private Limited (hereinafter referred to as ‘JTIPL’ or ‘Resulting Company’), wherein the Management of JCL and JTIPL (together referred to as ‘the Management’) has requested Niranjan Kumar, Registered Valuer- Securities or Financial Assets (‘NK’, ‘we’ or ‘us’) to recommend a fair share entitlement ratio for the proposed demerger of the “Textile Business” of JCL into JTIPL.

Please find enclosed the report (comprising 10 pages) detailing our recommendation of fair share entitlement ratio for the proposed demerger and the assumptions used in our analysis.

This report sets out our scope of work, background, procedures performed by us, sources of information and our recommendation on the share entitlement ratio.

BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

Janki Corp Limited (‘JCL’ or ‘Demerged Company’), erstwhile known as Janki Processors Limited was incorporated on 16 September 1993. JCL is primarily engaged in the business of

- (i) processing of synthetic fabrics and manufacturing of textiles (**‘Textile Business’**); and
- (ii) processing and production of steel, sponge iron and iron ore pellets (**‘Steel and Energy Business’**). The steel production is supported by its captive energy unit providing inhouse access to flying ash, charcoal, etc.

Janki Textiles India Private Limited (‘JTIPL’ or ‘the Resulting Company’) is a private limited company incorporated under Companies Act, 2013 having its registered office at Bhilwara, Rajasthan. Its Corporate Identity Number (‘CIN’) is U17299RJ2022PTC085354 and Permanent Account Number (‘PAN’) is AAFCJ8589H. The Company is authorized to engage in the business of processing of synthetic fabrics and manufacturing of textiles.



The Management of JCL (hereinafter referred to as 'the Management') is contemplating a proposal to demerge the 'Textile Business' of JCL ('the Demerged Company') into Janki Textiles India Private Limited ('the Resulting Company') (hereinafter referred to as 'proposed demerger') pursuant to the Scheme of Arrangement (hereinafter referred to as 'the Scheme') under section 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ('the Rules'), as amended from time to time.

As per the Scheme, as a consideration for the proposed demerger, the equity shareholders of JCL shall receive 0.01% Non-convertible Non-Cumulative Redeemable Preference Shares ('RPS') of the Resulting Company in the share entitlement ratio as determined by the Board of Directors on the basis of share entitlement ratio report prepared by the Registered Valuer as required under the applicable provisions of the Companies Act, 2013.

In connection with the above-mentioned proposed demerger, the Management has appointed NK to submit a report recommending a fair share entitlement ratio for the proposed demerger.

We understand that the appointed date for the proposed demerger is the opening business hours on 01 April 2023 or such other date as may be fixed or approved by the National Company Law Tribunal or such other competent authority. We have carried out our analysis and discussion with the Management to determine the fair share entitlement ratio as at the report date ('Valuation Date').

We would like to emphasize that certain terms of the proposed demerger are stated in our report, however the detailed terms of the proposed demerger shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the proposed demerger. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the underlying Scheme.

The scope of our service is to determine the fair share entitlement ratio as at Valuation Date after considering the facts of the case and report on the same in accordance with generally accepted professional standards including ICAI Valuation Standards, 2018 issued by the Institute of Chartered Accountants of India (ICAI).

The Management has informed us that:

- a) There would not be any capital variation in the Demerged Company and Resulting Company till the proposed demerger becomes effective without approval of the shareholders and other relevant authorities.
- b) Till the proposed demerger becomes effective, neither the Demerged Company nor the Resulting Company would declare any dividend which is materially different from those declared in the past few years.
- c) There would be no significant variation between the draft scheme of arrangement and the final scheme approved and submitted with the relevant authorities.

This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality and in conjunction with the relevant documents referred to therein.



FINANCIAL BACKGROUND

Janki Corp Limited ('JCL' or 'the Demerged Company')

JCL is inter-alia engaged in varied business verticals namely Textile and Steel & Energy. The Steel & Energy business is highly capital driven with long gestation period and the Textile business, on the other hand, is dynamic, more volatile to domestic and international market conditions, heavily dependent on product innovations and development, which require different skill sets and capabilities.

The equity shareholding pattern of JCL as at the report date is set out below:

Name of Shareholder	Number of Shares	Percentage (%)
Promoters/Promoters Group	1,29,96,690	41.45%
Corporate Bodies	78,37,500	25.00%
Individuals/Hufs	1,05,19,410	33.55%
Total (Face Value of INR 10 each)	3,13,53,600	100.0%

The snapshot of the unaudited provisional divisional statement of assets and liabilities and Profit and Loss statement of JCL as at 30 November 2022 is set out below:

Statement of Asset and Liabilities as at 30 November 2022

INR million

Particulars	Textile	Remaining Business	Total
Equity and Liabilities			
Share Capital	-	313.5	313.5
Reserves and Surplus	586.1	3,777.2	4,363.3
Non-Current Liabilities			
Long Term Borrowings	2.0	50.4	52.4
Deferred Tax Liabilities (Net)	6.3	187.5	193.8
Long Term Provision	9.4	17.0	26.4
Current Liabilities			
Short Term Borrowings	1.9	16.8	18.7
Trade Payable	182.2	334.0	516.1
Other Current Liabilities	2.0	177.8	179.8
Short Term Provisions	29.8	31.9	61.6
Total	819.6	4,906.1	5,725.7
Assets			
Non-Current Assets			
Property Plant and Equipment	383.0	2,112.4	2,495.4
Intangible Asset	-	1.0	1.0
Capital Work in Progress	1.8	38.6	40.4
Other Non-Current Assets	-	3.2	3.2
Current Assets			
Inventories	141.2	1,326.3	1,467.6
Trade Receivable	190.2	631.3	821.5
Cash and Cash Equivalent	3.9	13.5	17.4
Short Term Loans and Advances	99.1	763.7	862.8
Other Current Asset	0.3	16.1	16.4
Total	819.6	4,906.1	5,725.7



Statement of Profit and Loss for period ended 30 November 2022

INR million

Particulars	Textile	Remaining Business	Total
Revenue from operations	864.4	6,281.0	7,145.4
Expenses			
Cost of goods sold	(482.2)	(4,648.9)	(5,131.1)
Employee Benefit Expenses	(153.4)	(290.5)	(443.9)
Other Expenses	(42.0)	(202.6)	(244.6)
Total Expenses	(677.6)	(5,142.1)	(5,819.6)
EBITDA	186.8	1,138.9	1,325.8
EBITDA (%)	22%	18%	19%
Depreciation and Amortisation	(30.5)	(191.7)	(222.1)
EBIT	156.4	947.3	1,103.6
Finance Cost	(0.2)	(5.7)	(5.9)
Other Income	2.8	3.3	6.1
PBT	158.9	944.8	1,103.8
Tax Expense	(29.0)	(257.7)	(286.7)
PAT	129.9	687.2	817.1

Janki Textiles India Private Limited ('JTIPL' or 'the Resulting Company')

JTIPL is engaged in the business of processing of synthetic fabrics and manufacturing of textiles. The company was incorporated on 21st December 2022 having registered office at Bhilwara, Rajasthan

The equity shareholding pattern of JTIPL as at the report date is set out below:

Name of Shareholder	Number of Shares	Percentage (%)
Promoters/Promoters Group	25,994	41.45%
Corporate Bodies	15,675	25.00%
Individuals/Hufs	21,039	33.55%
Total (Face Value of INR 10 each)	62,708	100.0%

The snapshot of the provisional balance sheet of JTIPL as at 15 January 2023 is set out below :-

Provisional balance sheet

INR million

Particulars as at 15th Jan 2023	Total
Equity and Liabilities	
Shareholder's Fund	
Share Capital	0.6
Total Equity and Liabilities	0.6
Assets	
Current Assets	
Cash and Cash Equivalent	0.6
Total Assets	0.6



SOURCES OF INFORMATION

In connection with the valuation exercise, we have used and relied on the following sources of information:

A. Company specific information:

Information provided by the Management which includes:

- Audited financial statements of JCL for the financial year ended 31 March 2022;
- Provisional divisional statement of assets and liabilities of JCL as at 30 November 2022
- Provisional financial statement of JTIPL as at 15th January 2023.
- Latest shareholding pattern of JCL and JTIPL as at report date;
- Discussion with the Management to understand the rationale and basis for arriving at the recommended share entitlement ratio;
- Copy of the draft scheme of arrangement; and
- Discussions and correspondence with the Management in connection with business operations, past trends, proposed future business plans and prospects of the Demerged Company and the Resulting Company etc.;

B. Industry and economy information:

- Such other information and documents as provided by the Management for the purpose of this engagement.

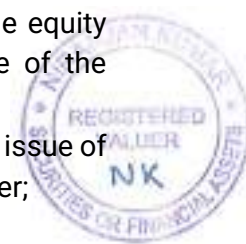
Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope.

We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Management.

PROCEDURES ADOPTED

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

- Reviewed the draft scheme of arrangement;
- Considered the audited financial statements of JCL for the financial year ended 31 March 2022;
- Considered the Provisional divisional statement of asset and liabilities of JCL as at 30 November 2022;
- Reviewed the Provisional financial statements of JTIPL as at 15th January 2023;
- Reviewed the latest shareholding pattern of JCL and JTIPL as at the report date;
- Confirmation from the Management regarding no change is being proposed in the equity shareholding pattern between the report date and scheme implementation date of the Demerged Company and the Resulting Company;
- Determined the fair share entitlement ratio in discussions with the Management, for issue of RPS of JTIPL to the shareholders of JCL as consideration for the proposed demerger;



- Discussions with the Management to obtain requisite explanation and clarification of data provided;
- Analysis of other facts and data as considered necessary; and
- Arrived at the final share entitlement ratio for the proposed demerger.



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SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

This report, its contents and the results herein are specific and subject to:

- the purpose of valuation agreed as per the terms of this engagement;
- the date of this report;
- equity shareholding pattern of JCL and JTIPL as at the report date and no change in the same prior to the implementation of the proposed demerger;
- proposed share entitlement ratio recommended by the Management;
- draft scheme of arrangement; and
- data detailed in the section – Sources of Information

A value analysis of this nature is based on information made available to us as of the date of this report, events occurring after that date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Management till the date of this report and other sources, and the said recommendation(s) shall be considered to be in the nature of non-binding advice (our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

In the course of our analysis, we were provided with both written and verbal information, by the Management as detailed in the section- Sources of Information.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of,

- the accuracy of information made available to us by the Management, which formed a substantial basis for this report; and
- the accuracy of information that was publicly available;

We have not carried out a due diligence or audit or review of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.

We are not legal or regulatory advisors with respect to legal and regulatory matters for the proposed demerger. We do not express any form of assurance that the financial information or other information as prepared and provided by the Management is accurate. Also, with respect to explanations and information sought from the Management, we have been given to understand by the Management that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Management. The Management of the Company has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our recommendation. Accordingly, we assume no responsibility for any errors in the information furnished by the Management and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Management. However, nothing has come to our attention



to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

We would like to emphasize that the current shareholding pattern of the demerged and the Resulting Company is identical and it would continue to remain identical till the scheme is implemented. Therefore, any share exchange ratio would ensure that the identical shareholding pattern in both the companies shall continue. The Management has recommended a share entitlement ratio of "1 (One) 0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of JTIPL of face value of INR 1 each fully paid up shall be issued for every 1 (One) equity share held in JCL having face value of INR 10 each fully paid up", keeping in mind the future capital requirements of the Resulting Company, which in our opinion is reasonable given that the shareholding pattern and the beneficial interest pre and post demerger shall remain same and not vary and we have therefore not carried out any independent valuation of the subject business.

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration on to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not recorded in the financial statements of the Company.

This report does not look into the business/ commercial reasons behind the proposed demerger nor the likely benefits arising out of the same. Similarly, the report does not address the relative merits of the proposed demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to recommendation of share entitlement ratio for the proposed demerger only.

Certain terms of the proposed demerger are stated in our report, however the detailed terms of the proposed demerger shall be more fully described and explained in the scheme document to be submitted with relevant authorities in relation to the proposed demerger. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility only to the Board of Directors of JCL and JTIPL, who have appointed us, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. In no circumstance shall the liability of NK exceed the amount as agreed in our Engagement Letter.

This share entitlement ratio report is subject to the laws of India.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of recommending the share entitlement ratio for the proposed demerger and relevant filings with the statutory authorities with respect to the proposed demerger, without our prior written consent.



RATIONALE FOR SHARE ENTITLEMENT RATIO

As mentioned earlier, as a part of the scheme, the Textile Business JCL is proposed to be demerged into JTIPL. JCL has identified all the assets and liabilities of the Textile Business, which are to be taken over by and transferred to JTIPL.

We would like to emphasize that as at the report date, the shareholding pattern of both the Demerged Company and Resulting Company is same. Based on our discussion with the Management, we understand that they do not propose any change to the shareholding pattern prior to the scheme implementation. Accordingly, the shareholders of JCL would continue to enjoy entire economic interest, rights and obligation in both the demerged as well as the Resulting Company till the proposed demerger is implemented.

Taking into account the above facts and circumstance, any share entitlement ratio can be considered appropriate and fair for the proposed demerger as the shareholding pattern of JCL pre-demerger and post-demerger would remain same and not vary and we have therefore not carried out any independent valuation of JCL and JTIPL. Accordingly, the management has proposed a share entitlement ratio of *"1 (One) 0.01% of Non-Convertible Non-Cumulative Redeemable Preference Shares of JTIPL of face value of INR 1 each fully paid up shall be issued for every 1 (One) equity share held in JCL having face value of INR 10 each fully paid up"*.

The Share Entitlement Ratio has been recommended keeping in mind the current business activities of the Resulting Company, shareholders of the Demerged Company and Resulting Company and their economic interest in the Demerged Company.

No shareholder is, under the scheme, required to dispose off any part of his shareholding either to any of the other shareholders or in the market or otherwise. The scheme does not envisage the dilution of the holding of any one or more shareholders as a result of the operation of the scheme. Post demerger, the percentage holding of the shareholders in both JCL and JTIPL would remain same and not vary.

Therefore, in our view, the above Share Entitlement Ratio is fair and equitable, considering that the shareholders of JCL will, upon the proposed demerger, have its inter-se economic interests, rights, obligations in JTIPL post-demerger in the same proportion as its economic interests, rights and obligations in JCL pre-demerger.

Key terms

Particulars	
Nature of Instrument	Non Convertible Non-Cumulative Redeemable Preference Shares
Tenure	20 years from the date of allotment of preference shares
Face Value	INR 1 (Rupee One Only)
Dividend	0.01% per annum
Redemption	The company shall have the option to redeem preference shares at par in one or more tranche anytime on or before the expiry of 20 years from the date of allotment



CONCLUSION

In the light of the above and on a consideration of all the relevant factors and circumstances and subject to our scope, limitations as mentioned above, we recommend the following share entitlement ratio of:

1 (One) 0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of JTIPL of face value of INR 1 each fully paid up shall be issued for every **1 (One)** equity share held in JCL having face value of INR 10 each fully paid up.



Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Niranjana".

Niranjana Kumar
Registered Valuer- Securities or Financial Assets
IBBI Registration Number: IBBI/RV/06/2018/10137
ICAIRVO/06/RV-P000021/2018-19
UDIN: 23121635BGUWNR4556

Date: 31st January 2023
Place: Pune

Report of the Board of Directors of Janki Corp Limited pursuant to Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Scheme of Arrangement between Janki Corp Limited and Janki Textiles India Private Limited.

1.0 Background

The Board of Directors of Janki Corp Limited ("JCL" or "the Company") approved the Scheme of Arrangement between Janki Corp Limited ("Demerged Company") and Janki Textiles India Private Limited ("Resulting Company") and their respective shareholders and creditors ("Scheme") providing for the demerger of the Textile business ("the Demerged Undertaking") of the Demerged Company into the Resulting Company.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the Directors explaining the effect of the Scheme of Arrangement on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders is required to be circulated to the shareholders, along with the notice convening the meeting.

Accordingly, this report has been prepared in compliance with the provisions of Section 232(2)(c) of the Companies Act, 2013.

2.0 Share Entitlement Ratio and Consideration

The Scheme envisages that shares shall be issued by the Resulting Company to the equity shareholders of Demerged Company pursuant to the Scheme in the ratio given below:

"1 (One) 0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of the Resulting Company of face value of INR 1 each fully paid up shall be issued for every 1 (One) equity share of INR 10 each fully paid up held in the Demerged Company (i.e. JCL)"

The Valuation Report dated January 31, 2023 was issued by Mr. Niranjana Kumar, Registered Valuer – Securities or Financial Assets.

3.0 Effect of the Scheme of Arrangement on each class of shareholders, promoters and non-promoter shareholders of JCL

- 1) There is only one class of Shareholders viz., Equity Shareholders.
- 2) On demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, the shareholders of JCL (viz. Promoter and Non-Promoter shareholders) would receive redeemable preference shares in Janki Textiles India Private Limited basis the share entitlement ratio as per the Valuation Report dated January 31, 2023 issued by Mr. Niranjana Kumar, Registered Valuer – Securities or Financial Assets.
- 3) The Scheme does not affect rights and interest of the Promoter and Non-Promoter Shareholders of JCL prejudicially.

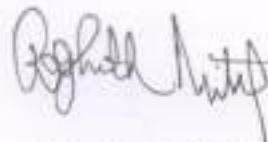
4.0 Effect of the Scheme of Arrangement on Key Managerial Personnel of JCL

Under Clause 9.1 of the Scheme, and with effect from the Effective Date, the Janki Textiles India Private Limited undertakes to engage all the staff and employees of JCL pertaining to the Demerged Undertaking on the same terms and conditions (and which are not less favourable than those) on which they are currently engaged by JCL, without any interruption or break in service. In the circumstances, the rights of the employees of JCL would in no way be affected by the Scheme.

Further, none of the Key Managerial Personnel of JCL have any material interest in the Scheme (except to the extent of equity shares held by them in both the Companies).

Approved and adopted by the Board of Directors vide Resolution passed on [date].

**By order of the Board
For Janki Corp Limited**



Raghu Nath Mittal
Chairman

Date: January 31, 2023

Place: Bhilwara

Report of the Board of Directors of Janki Textiles India Private Limited pursuant to Section 232(2)(c) of the Companies Act, 2013 explaining the effect of the Scheme of Arrangement between Janki Corp Limited and Janki Textiles India Private Limited.

1.0 Background

The Board of Directors of Janki Textiles India Private Limited ('New Co' or 'the Company') approved the draft Scheme of Arrangement between Janki Corp Limited ('Demerged Company') and Janki Textiles India Private Limited ('Resulting Company') and their respective shareholders and creditors ('Scheme') providing for the demerger of the Textile business ('the Demerged Undertaking') of the Demerged Company into the Resulting Company.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the Directors explaining the effect of the Scheme of Arrangement on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders is required to be circulated to the shareholders, along with the notice convening the meeting.

Accordingly, this report has been prepared in compliance with the provisions of Section 232(2)(c) of the Companies 2013.

2.0 Share Entitlement Ratio and Consideration

The Scheme envisages that shares shall be issued by the Resulting Company to the equity shareholders of Demerged Company pursuant to the Scheme in the ratio given below:

"1 (One) 0.01% Non-Convertible Non-Cumulative Redeemable Preference Shares of the Resulting Company of face value of INR 1 each fully paid up shall be issued for every 1 (One) equity share of INR 10 each fully paid up held in the Demerged Company (i.e. JCL) "

The Valuation Report dated January 31, 2023 was issued by Mr. Niranjana Kumar, Registered Valuer – Securities or Financial Assets.

3.0 Effect of the Scheme of Arrangement on each class of shareholders, promoters and non-promoter shareholders of Janki Textiles India Private Limited

- 1) There is only one class of Shareholders viz., Equity Shareholders.
- 2) On demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company, the shareholders of JCL (viz. Promoter and Non-Promoter shareholders) would receive redeemable preference shares in Janki Textiles India Private Limited basis the share entitlement ratio as per the Valuation Report dated January 31, 2023 issued by Mr. Niranjana Kumar, Registered Valuer – Securities or Financial Assets.
- 3) The Scheme does not affect rights and interest of the shareholders of the Resulting Company prejudicially.

JANKI TEXTILES INDIA PRIVATE LIMITED

Regd. Office & Works: Mandpiya Chouraha, Chittor Road, Bhilwara- 311001, Rajasthan

Correspondence: 01482-249010 | E-mail : info@jankitextiles.com

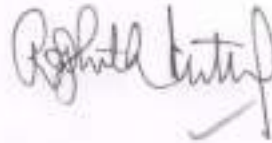
CIN No. U17299RJ2022PTC085354 | GSTIN- 08AAFCJ8589H1ZW

4.0 Effect of the Scheme of Arrangement on Key Managerial Personnel of Janki Textiles India Private Limited

The Scheme of Arrangement does not affect the Key Managerial Personnel of Janki Textiles India Private Limited in any manner.

Approved and adopted by the Board of Directors vide Resolution passed on January 31, 2023.

**By order of the Board
For Janki Textiles India Private Limited**



**Raghu Nath Mittal
Director**

Date: January 31, 2023

Place: Bhilwara

JANKI TEXTILES INDIA PRIVATE LIMITED

Regd. Office & Works: Mandpiya Chouraha, Chittor Road, Bhilwara- 311001, Rajasthan

Correspondence: 01482-249010 | E-mail: info@jankitextiles.com

CIN No. U17299RJ2022PTC085354 | GSTIN- 08AAFCJ8589H1ZW

JANKI CORP LIMITED

29th ANNUAL REPORT

2021-2022

S. No.	Contents
1	Notice
2	Directors' Report
3	Secretarial Audit Report
4	Auditors' Report
5	Balance Sheet
6	Statement of Profit & Loss Account
7	Cash Flow Statement
8	Significant Accounting Policies & Notes to Accounts
9	Notes
10	Attendance Slip & Proxy Form

For: Janki Corp Limited
Shrutika
Authorised Signatory.

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Shri Raghunath Mittal
Shri Rahul Mittal
Smt. Ranu Porwal
Shri Aditi Kakhan
Shri Harish Sharma

Chairman
Managing Director
Independent Director
Independent Director
Independent Director

MANAGEMENT TEAM:

STEEL & POWER DIVISION:

Shri G. Narahari Reddy
Shri Prakash Musaddi

General Manager
Chief Financial Officer

TEXTILE DIVISION:

Shri Ugnesh Prasad Kunwer
Shri A.K. Sinha
Shri Mahesh Mishra
Shri Madhusudan Sharma

G.M. (Technical)
G.M. (Engineering)
G.M. (Finance)
G.M. (Accounts)

COMPANY SECRETARY

Ms. Shruti Joshi

REGISTRAR & TRANSFER AGENT

Bigshare Services Pvt. Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka
Andheri (E), Mumbai - 400072
Tel.: +91 22 28470652
Email : info@bigshareonline.com

BANKERS & FINANCER:

Kotak Mahindra Bank
State bank of India

AUDITORS :

Statutory Auditors

M/s RHDA & Associates
Chartered Accountants
Bhilwara (Rajasthan) 311001

M/s Ravi Sharma & Co.

Chartered Accountants
Jaipur (Rajasthan) 302001

WORKS :

Textile Division:

Mandpiya Chouraha, Chittor Road
Bhilwara (Rajasthan) 311001

Steel & Power Division:

Village: Sidiginamola
P.O. Bellary (Karnataka) 583138

REGISTERED OFFICE

Mandpiya Chouraha, Chittor Road
Bhilwara (Rajasthan) 311001

For: Janki Corp Limited
Shruti Joshi
Authorised Signatory

NOTICE

NOTICE is hereby given that the **Twenty Ninth Annual General Meeting** of the Members of Janki Corp Limited will be held on Thursday, the 29th day of September, 2022 at 11:00 A.M. at the Registered Office of the Company at Mandpiya Chouraha, Chittor Road, Bhilwara (Rajasthan) - 311001 to transact the following business:

ORDINARY BUSINESS:

Item no. 1 – Adoption of Financial Statements:

To receive, consider and adopt the Audited Balance Sheet as at March 31, 2022 and the Profit and Loss Account for the year ended on March 31, 2022, Cash flow statement as at March 31, 2022 and the Reports of the Board of Directors, and Auditors thereon, as presented to the members, be and are hereby, considered and adopted.

Item no. 2 – Appointment of Director:

To appoint a director in place of Mr. Raghunath Mittal (DIN 0175295), Chairman & Whole time Director, who retires by rotation and, being eligible, seeks re-appointment.

Item no. 3 –Appointment of Auditors:

To appointment statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

"Resolved that, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, pursuant to the recommendations of the audit committee M/s O.P. Dad & Co., Chartered Accountants (Firm Registration No. 002330C), and M/s A. Bafna & Co., Chartered Accountants, (Firm Registration No. 003660C), be appointed as the joint statutory auditors of the Company, in place of M/s RHDA & Associates, Chartered Accountants (Firm Registration No. 014438C), and M/s Ravi Sharma & Co., Chartered Accountants, (Firm Registration No. 015143C), to hold office from the conclusion of this 29th AGM until the conclusion of AGM, to be held in the calendar year 2027, subject to ratification by members every year, as applicable, at such remuneration as may be determined by the audit committee in consultation with the auditors, and as may be agreed upon between the auditors and the Board of Directors.

SPECIAL BUSINESS:

Item No. 4– Ratification of Remuneration paid to Cost auditor for the Financial Year 2022-23:

To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2023 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:



For: Janki Corp Limited
Shweta Joshi
Authorised Signatory

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors)

Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. M. Goyal & Co. Cost Accountants (Firm Registration No. 000242), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023, amounting to ₹ 60,000/- (Rupees Sixty Thousand only) as also the payment of GST as applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 5-- Re-appointment of Mr. Rahul Mittal as Managing Director:

To consider, and if thought fit, to pass the following resolution as a special resolution:

RESOLVED THAT pursuant to the provisions of Sections 149(1), 196, 197, 198 & 203 read with Schedule V of The Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 and other applicable provisions, if any other law and subject to such consent, approval and permission as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent, permission & approval and as are agreed to by the board of Directors (hereinafter referred to as the Board which term shall unless repugnant to the context or meaning thereof be deemed to include any committee thereof and any person authorized by the Board in this behalf) consent of the Board be and is hereby accorded for re-appointment of Mr. Rahul Mittal (DIN: 00808409) S/o Shri Raghunath Mittal, as a Managing Director of the Company for a period of 5 (Five) Years with effect from 01.04.2022 to 31.03.2027 at remuneration, benefits and amenities as recommended by the Remuneration Committee and mentioned below:

1. Remuneration:

- (a) Salary – Rs 16,00,000/- per month with such annual increment as Board may approve.
- (b) Bonus – As per rules of the Company
- (c) Perquisites –
 - (i) Medical reimbursement: Reimbursement of medical expenses incurred for self and family in accordance with the rules of the Company.
 - (ii) Leave travel concession: Leave travel concession for self and family once in a year incurred in accordance with the rules of the Company.
 - (iii) Club fees: Fees of clubs subject to a maximum of two clubs. No admission and life membership fee will be paid.

2. Provident Fund:

Company's contribution towards Provident Fund shall be as per the rules of the Company.



For: Janki Corp Limited
Authorized Signatory

3. Gratuity:

Gratuity as per rules of the Company, but shall not exceed one half month's salary for each completed year of service.

4. Earned Leave:

Earned leave on full pay and allowances as per rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure.

5. Car and Telephone facility:

Provision of car for use for Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Managing Director.

6. Ex-gratia:

Ex-gratia will be allowed according to performance and as Board may approve.

7. Others:

Reimbursement will be allowed of entertainment, travelling and all other expenses incurred for the business of the Company.

Resolved further that the aggregate of the salary and all perquisites as mentioned above shall at no time exceed the limits as may be prescribed from time to time under the provisions of the Companies Act, 2013, Schedule V thereto and rules there under, as well as any other statutory provisions, amendment and relaxation as may be applicable by the central Government from time to time.

Resolved further that where in any financial year, the Company has no profits or its profits are inadequate, Shri Rahul Mittal may be paid remuneration by way of salary, perquisite and any other allowance as referred to above, not exceeding the limits specified in Para 1A of section II, Part II of Schedule V to the Act as may be amended from time to time or any equivalent statutory enactment(s) thereof.

Resolved further that Any Director of the Company be and is hereby authorized to take all necessary steps for execution of agreement, file return with the Registrar of Companies and other statutory authorities concerned after the shareholders accord their approval to the above proposal and to take all actions necessary or incidental for the purpose.

Item No. 6- Re-appointment of Mr. Raghunath Mittal as Whole Time Director for a period of five year with effect from 23.09.2022:

To consider, and if thought fit, to pass the following resolution as a special resolution:

RESOLVED THAT subject to the provisions of Sections 149(1), 196, 197, 198 & 203 read with Schedule V of The Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 and other applicable provisions, if any other law and subject to such consent, approval and permission as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent, permission & approval and as are agreed to by the board of Directors(hereinafter referred to as the Board which term shall unless repugnant to the context or meaning thereof be deemed to include any



For: Janki Corp Limited

committee thereof and any person authorized by the Board in this behalf) consent of the Board be and is hereby accorded for re-appointment of Mr. Raghunath Mittal (DIN: 00175295) S/o Shri Jai Lal Agarwal, as a Whole Time Director of the Company for a period of 5 (Five) Years with effect from 23.09.2022 to 22.09.2027 at remuneration, benefits and amenities as recommended by the Remuneration Committee and mentioned below:

1. Remuneration:

(a) Salary – Rs 16,00,000/- per month with such annual increment as Board may approve.

(b) Bonus – As per rules of the Company

(c) Perquisites –

(i) Medical reimbursement: Reimbursement of medical expenses incurred for self and family in accordance with the rules of the Company.

(ii) Leave travel concession: Leave travel concession for self and family once in a year incurred in accordance with the rules of the Company.

(iii) Club fees: Fees of clubs subject to a maximum of two clubs. No admission and life membership fee will be paid.

2. Provident Fund:

Company's contribution towards Provident Fund shall be as per the rules of the Company.

3. Gratuity:

Gratuity as per rules of the Company, but shall not exceed one half month's salary for each completed year of service.

4. Earned Leave:

Earned leave on full pay and allowances as per rules of the Company, but not exceeding one month's leave for every eleven months of service and leave accumulated shall be encashable at the end of the tenure.

5. Car and Telephone facility:

Provision of car for use for Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Whole Time Director.

6. Ex-gratia:

Ex-gratia will be allowed according to performance and as Board may approve.

7. Others:

Reimbursement will be allowed of entertainment, travelling and all other expenses incurred for the business of the Company.

Resolved further that the aggregate of the salary and all perquisites as mentioned above shall at no time exceed the limits as may be prescribed from time to time under the provisions of the Companies Act, 2013, Schedule V thereto and rules there under, as well as any other statutory provisions, amendment and relaxation as may be applicable by the central Government from time to time.



For: Janki Corp Limited

Resolved further that where in any financial year, the Company has no profits or its profits are inadequate, Shri Raghunath Mittal may be paid remuneration by way of salary, perquisite and any other allowance as referred to above, not exceeding the limits specified in Para 1A of section II, Part II of Schedule V to the Act as may be amended from time to time or any equivalent statutory enactment(s) thereof.

Resolved further that Any Director of the Company be and is hereby authorized to take all necessary steps for execution of agreement, file return with the Registrar of Companies and other statutory authorities concerned after the shareholders accord their approval to the above proposal and to take all actions necessary or incidental for the purpose."

By Order of the Board

Place: Bhilwara
Dated: 27th May, 2022



For JANKI CORP LIMITED

(Shruti Joshi)
Company Secretary

Registered Office:
Mandpiya Choraha, Chittor Road, Bhilwara (Rajasthan) – 311001

For Janki Corp Limited

Authorised Signatory


NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.

- a) The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
- b) Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
- c) Members desiring any information as regards to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- d) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the ensuing Annual General Meeting is annexed hereto and forms part of this Notice.
- e) Members are requested to immediately inform their change in address quoting folio number(s) to the Company.
- f) Corporate Members intending to send their authorized representatives are requested to send duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the ensuing Annual General Meeting of the Company.



For: Janki Corp Limited


Authorised Signatory

Explanatory Statement
(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4, Item No. 5, Item 6 of the accompanying Notice:

Item No. 3:

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

RHDA & Associates, Chartered Accountants (Firm Registration No. 014438C), and M/s Ravi Sharma & Co., Chartered Accountants, (Firm Registration No.015143C) were appointed as joint statutory auditors of the Company for a period of five years. In terms of their appointment made at AGM held on September 29, 2017, they are holding office of the auditors up to conclusion of 29th AGM and hence, would retire at the conclusion of the forthcoming 29th AGM.

As per provisions of Section 139(2) of the Companies Act 2013, to appoint a new auditor of when the existing auditor's firm has completed two consecutive years. Accordingly, as per the said requirements of the Act, M/s O.P. Dad & Co., Chartered Accountants (Firm Registration No. 002330C), and M/s A.Bafna & Co., Chartered Accountants, (Firm Registration No. 003660C), is proposed to be appointed as joint statutory auditors of the Company for a period of five years from conclusion of 29th AGM till the conclusion of 34th AGM, subjected to ratification by members every years, as may be applicable.

RHDA & Associates, Chartered Accountants (Firm Registration No. 014438C), and M/s Ravi Sharma & Co., Chartered Accountants, (Firm Registration No.015143C), have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of provisions of Section 139(1), Section 141(2) and Section 141(3) the Act and the provisions of the Companies (Audit and Auditors) Rule, 2014.

The Board commends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Item No.4:

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual/ firm of cost accountant(s) in practice on the recommendations of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of the Audit Committee, the Board has considered and approved appointment of M/s M. Goyal and Co., Cost Accountants, as Cost Auditors of the Company to audit the accounts relating to its activity of Steel division & Textile division for the



For: Janki Corp Limited

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financial year ending March 31, 2023 at a remuneration of ₹60,000/- plus applicable taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the Financial Year ending on March 31, 2023.

The resolution of item No.4 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in this resolution.

Item No.5:

In accordance with the provisions of Section 196,203 and other applicable provisions, if any, to the Act, designate as a Managing Director requires approval of members Mr. Rahul Mittal, he is actively involved in Steel Business and has an extensive knowledge and vast experience and is playing a prominent role in various activities relating to Business. Board feels his association with the Company as a Managing Director will be fruitful and rewarding. Accordingly, consent of members is sought for passing a Special Resolution as set out at item No. 5 of the Notice for designate of Managing Director.

Mr. Rahul Mittal as Managing Director himself, Mr. Raghunath Mittal as father of Mr. Rahul Mittal are interested in this resolution. None of other Key Managerial Personnel of the Company, in any way, are concerned or interested in the resolution.

Item No.6:

In accordance with the provisions of Section 196,203 and other applicable provisions, if any, to the Act, designate as a Whole-Time Director requires approval of members Mr. Raghunath Mittal, has an extensive knowledge and vast experience of in Textile Industry and been involved enthusiastically in the same occupation for many years, he then managed to establish the Brand Janki Corp Limited the birth of the Company couldn't have been possible without the hard work and dedication of Mr. Raghunath Mittal. Board feels his association with the Company as a Whole- Time Director will be fruitful and rewarding. Accordingly, consent of members is sought for passing a Special Resolution as set out at item No. 6 of the Notice for designate of Whole-Time Director.

Mr. Raghunath Mittal as Whole-Time Director himself, Mr. Rahul Mittal as son of Mr. Raghunath Mittal are interested in this resolution. None of other Key Managerial Personnel of the Company, in any way, are concerned or interested in the resolution.

Place: Bhilwara
Dated: 27th May, 2022



By Order of the Board
For JANKI CORP LIMITED

(Shruti Joshi)
Company Secretary

Registered Office:
Mandpiya Choraha, Chittor Road, Bhilwara (Rajasthan) - 311001

For Janki Corp Limited

Authorised Signatory

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company has the pleasure of presenting the Twenty-Ninth Annual Report of Janki Corp Limited (the Company) on the business and operations of your Company, together with the audited financial statements, for the Financial Year ended March 31, 2022.

1. FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS:

The financial results of your Company for the Financial Year 2021-22 under review are summarized in the following table:

Particulars	In Lacs	
	2021-22	2020-21
Gross Turnover	95500.96	62418.59
Profit before Depreciation & Tax	23586.40	12087.77
Depreciation	3662.66	3795.73
Profit before Extra-Ordinary Item	19923.74	8292.04
Extra Ordinary Income	-	3160.48
Profit/ (Loss) Before Tax	19923.74	11452.52
Less- Provision - Current Tax & Earlier Year Tax	4407.77	-
Less - Deferred Tax Liability /(Assets)	699.29	2039.10
Profit /(Loss) after Tax	14816.68	9413.42
Balance brought forward from previous year	12735.61	3322.19
Net Balance transferred to Balance Sheet	27552.29	12735.61

2. COMPANY PERFORMANCE:

During the year under review, the Company's financial performance has been improved due to favorable market of sponge iron. Also, due to the ease in mining practices and in steel sector, this year initiated the profitability of the Company. The consolidated turnover of the Company stood at ₹ 95500.96 Lacs for the Financial Year 2021-22 showing increase of 53% as compared to ₹ 62418.59 Lacs for the previous year. The Company reported Operating Profit before Extra-Ordinary Income is ₹ 19923.74 Lacs for the F.Y. 2021-22 as against the profit of ₹ 8292.04 Lacs during the previous financial year.

3. FUTURE OUTLOOK:

The performance of Textile industry has outperformed as compared to previous years. The domestic textile industry, which had seen demand slump in fiscal 2021 owing to onset of the Covid-19 pandemic, is firmly on course to recover in fiscal 2022 on the back of reopening of businesses, educational institutions, and retail outlets. Sanctions on Chinese textiles have boosted Indian textile exports as well.



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The debottlenecking exercise undertaken at Steel Division of the company has resulted in significant operational and cost efficiency. The company shall continue to identify such areas where improvements are required and carry out the necessary improvements. The company further plans to acquire an iron ore mines in Karnataka to make the company self-reliant with respect to its iron ore requirements and to attain greater flexibility for raw material blends and benefit backward integration. The company also plans to undertake Brownfield expansion at Steel Division to catalyse growth and achieve economies of scale.

4. CORPORATE SOCIAL RESPONSIBILITY (CSR):

In terms of the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted a CSR committee and framed policy there under. CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure IV of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014

The Corporate Social Responsibility Committee (CSR Committee) of the Company has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

5. Covid-19 : Second Wave

India was hit hard by the second wave of the pandemic in April 2021. The state governments announced simultaneous lockdowns across the country. Major impact of Covid-19 has been felt in the first quarter with both revenue and profit being affected. With opening of domestic market post lockdown in June 2021 business prospects and performance is expected to improve gradually from the second quarter of FY22 onwards. Amid the pandemic, the Company provided Covid vaccination for its employees and their families to ensure the safety and well-being of the associates and their families covering over a many individuals in all.

The Company's focus on liquidity, supported by balance sheet and acceleration in cost optimization initiatives, would help in navigating any near-term challenges in the demand environment.



For: Janki Corp Limited
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6. DIVIDEND :

After considering the Company's Profitability, Free Cash Flow and overall performance, Board of Director decided for utilizing the funds in continuation of various projects for the development, expansion and implementation stages surpluses generated are utilized for funding the projects. The Board of Directors has decided not to recommend any dividend for the period under review. Therefore, the Directors of your company express their inability to recommend any dividend for the financial year 2021-22.

7. DEPOSITS:

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V –Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding as on March 31, 2022.

8. AMOUNTS TRANSFERRED TO RESERVES:

No amount has been carried to its reserves by the Company for the year under review.

9. PARTICULARS OF EMPLOYEES:

Section 197 of the Companies Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules 2014 as amended, furnished in Annexure V of this Report for the year ended 31st March, 2022.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014. The details of Investments made under the said Section are provided in Financial Statement.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Shri Raghunath Mittal, Whole Time Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible offers himself for re-appointment. Company has re-appointment Mr. Rahul Mittal (DIN: 00808409) as Managing Director w.e.f 1st April 2022.

The Independent Directors of the Company have declared that they meet the criteria of Independence in terms of Section 149(6) of the Companies Act, 2013 and that there is no change in their status of Independence.

There is no change in Key Managerial Personnel during the year. Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are - Shri Raghunath Mittal (Chairman), Shri Rahul Mittal (Managing Director), Shri Prakash Musaddi, (Chief Financial Officer) and Ms. Shruti Joshi, (Company Secretary)



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12. AUDITORS & AUDITORS OBSERVATION:

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, RHDA & Associates, Chartered Accountants (Firm Registration No. 014438C), and M/s Ravi Sharma & Co., Chartered Accountants, (Firm Registration No.015143C) were appointed as joint statutory auditors of the Company for a period of five years. In terms of their appointment made at made at AGM held on September 29, 2017, they are holding office of the auditors up to conclusion of 29th AGM and hence, would retire at the conclusion of the forthcoming 29th AGM.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

13. COST AUDITOR:

The Board had appointed M/s. M. Goyal & Company, Cost Accountants, Jaipur as Cost Auditors to conduct the audit of the cost records of the Company relating to its activity of Steel division & Textile Division for the year 2022-23 in its meeting held on 27th May, 2022. Their remuneration is subject to ratification by shareholders at the ensuing Annual General Meeting.

14. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Janki Corp Limited has been adhering to Good Corporate Governance Principles and Practices to maintain a professional approach, transparency, accountability, all of which have enabled it to ensure equity in dealing with all the stakeholders, viz. Shareholders, Government institutions & departments, Regulatory bodies, Bankers, Employees, and others. As a good corporate citizen, Janki Corp Limited is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.

We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as leadership and governance of the company

a) BOARD OF DIRECTORS :

The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Board of the Company is composed of eminent individuals from diverse fields. The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure. Every member of the Board, including the Non-Executive Directors, has full access to any information related to the Company. The Board of the Company is composed of Executive and



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Non-Executive Directors. As on March 31, 2022, the strength of the Board was five Directors: comprising of two Executive and three Non-Executive Directors. Sixty percent of the Board comprised of Independent Directors.

At present, the Board comprises with five Directors viz. Independent: Mr. Raghunath Mittal, Mr. Rahul Mittal, Mr. Harish Sharma, Mrs. Aditi Kakhani, Mrs. Ranu Porwal; Mr. Raghunath Mittal is the Chairman and Mr. Rahul Mittal is a Managing Director of the Company. The Directors Mr. Raghunath Mittal and Mr. Rahul are related to each other.

During FY 2021-22, Eight Board Meetings were held. The last AGM was held on 28th day of September 2021.

b) AUDIT COMMITTEE :

The Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits.

The Audit Committee comprises of Mrs. Ranu Porwal Independent Director as Chairman, Mr. Harish Sharma Independent Director and, Mrs. Aditi Kakhani Independent Director as Members.

All members of the Audit Committee are financially literate and two of the members have expertise in accounting/ financial management.

Ms. Shruti Joshi, Company Secretary is the Secretary to the Committee.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examination with management the quarterly financial results before submission to the Board;
- reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;



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- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- valuating undertaking or assets of the Company, wherever it is necessary;
- reviewing the functioning of the Whistle Blowing mechanism;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of provisions of Section 177 of the Companies Act, 2013.

c) **NOMINATION & REMUNERATION COMMITTEE:**

In line with the Companies Act, 2013 requirements, the nomenclature of this Committee has been changed to Nomination and Remuneration Committee.

There is no change in Constitution of Nomination and Remuneration Committee. The committee met three times in the FY 2021-22.

Mrs. Ranu Porwal continues to be the chairman of the committee.

The role of Nomination and Remuneration Committee is as follows:

- Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine/ recommend the criteria for qualifications, positive attributes and independence of Director;
- Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses etc.;



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- Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- Formulate criteria and carryout evaluation of each Director's performance and performance of the Board as a whole;

NOMINATION AND REMUNERATION POLICY:

The objective of remuneration policy is to attract, motivate and retain qualified and expert individuals that the Company needs in order to achieve its strategic and operational objectives. The Nomination & Remuneration Committee (Committee) is responsible for formulating and making the necessary amendments to the Remuneration Policy for the Directors, Key Managerial Personnel (KMP) and Senior Executives from time to time.

Pursuant to Section 178 of the Act, the Nomination and Remuneration Committee has adopted a Nomination and Remuneration Policy which provides guidance on:

SELECTION CRITERIA FOR DIRECTORS:

The Company shall consider the following aspects while appointing a person as director on the Board of the Company:

Skills and Experience: The candidate shall have appropriate skills and experience in one or more fields of finance, law, management, sales, marketing, administration, public administrative services, research, corporate governance, technical operations or any other discipline related to the Company's business.

Age Limit: The candidate should have completed the age of twenty-one (21) years and should not have attained the age of seventy (70) years.

Directorship: The number of companies in which the candidate holds Directorship should not exceed the number prescribed under the Act.

Independence: The candidate proposed to be appointed as Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under the Act.

The policy provides that while appointing a Director to the Board, due consideration will be given to:

- i) approvals of the Board and/or shareholders of the Company in accordance with the Act ;
and
- ii) the Articles of Association of the Company



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a) SELECTION CRITERIA FOR SENIOR MANAGEMENT:

As per policy, Senior Management for the purpose of this policy shall mean employees hired at the level of Divisional Heads and Corporate Functional Heads or equivalent positions.

The policy provides that the candidate should have appropriate qualifications, skills and experience for discharging the role. The qualifications, skills and experience of each such position shall be defined in the job description, which will be maintained from time to time.

Remuneration for Executive Director, Independent Directors, Key Managerial Personnel (KMP) and Senior Executives:

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Chairman, managing director and the executive directors.

The appointment of Executive Directors, Key Managerial Personnel, Management Committee members and other employees is by virtue of their employment with the Company as management employees and therefore, their terms of employment vis-à-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time. The total reward for Executive Directors, Key Managerial Personnel and Management Committee members is reviewed and approved by the Nomination and Remuneration Committee annually; Annual increments are decided by the nomination and remuneration committee (NRC) within the salary scale approved by the members of the Company.

During the year 2021-22, No sitting fees was paid to Independent Directors for attending any meeting of the Board and or its Committee's.

REMUNERATION FOR OTHER EMPLOYEES:

Remuneration of middle and lower level employees of the Company consists mostly of fixed pay and a reasonable performance pay which is reviewed on an annual basis. Increase in the remuneration of employees is affected based on an annual review taking into account performance of the employee and the performance of the Company also.

REMUNERATION FOR WORKMEN:

Remuneration of workmen employed in the factories of the Company consists of fixed pay and performance incentives, which is negotiated and agreed upon on periodical basis. Increase in the remuneration of workmen is based on a review of performance of the Company and increase in the general price levels / cost of living index, etc.



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b) SHARE TRANSFER COMMITTEE / INVESTOR'S GRIEVANCE COMMITTEE:

The Share Transfer Committee / Investor's Grievance Committee is comprised of Mr. Ranu Porwal Independent Director as the Chairman and Mr. Raghunath Mittal and Mr. Rahul Mittal, as members of the Committee. The Committee supervises the matters pertaining to investors of the Company, liaison for transfer of shares and recommend suitable measures to improve the quality of services to the investors of the Company. No investor complaint was received during the year and no investor complaint is pending with the Company. The share transfer requests are attended by the RTA. The Committee met once during the year under review.

c) RISK MANAGEMENT COMMITTEE:

The board of the Company has formed a risk management committee to assist the Board with regard to the identification, evaluation and mitigation of operational, strategic and external environment risks. The Committee comprises of Mr. Rahul Mittal Managing Director, Mr. Prakash Musaddi, CFO and Mr. Madhusudan Sharma G.M. (Accounts) of the Company. The Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company. The risk management committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures.

d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

During the year under review, in terms of Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Board Committee viz. "Corporate Social Responsibility (CSR) Committee".

Brief terms of reference of CSR Committee include:

- Framing of CSR Policy, review & monitor it periodically and execution of activities mentioned under Schedule VII to the Companies Act, 2013 and as per CSR Policy of the Company.
- recommend the amount of expenditure to be incurred on the above mentioned activities;
- institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company; and

Corporate Social Responsibility ("CSR") Committee is chaired by Mrs. Ranu Porwal, Independent Director. The other Members of the Committee are Shri Raghunath Mittal, Chairman & Shri Rahul Mittal, Managing Director.

During the year under review, the Corporate Social Responsibility Committee met twice during the year under review.

The Company Secretary acts as the Secretary to the Committee.



For: Janki Corp Limited
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e) VIGIL MECHANISM:

Your Company has established a Vigil Mechanism/ Whistleblower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that no Director/ employee have been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

15. COMPLIANCE UNDER COMPANIES ACT, 2013:

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the detail of compliances under Companies Act, 2013 are enumerated below:

a) EXTRACT OF ANNUAL RETURN:

An extract of Annual Return in Form MGT-9 as on March 31, 2022 is attached as Annexure-II to this Report.

b) BOARD MEETINGS HELD DURING THE YEAR:

During the year, eight meetings of the Board of Directors were held.

c) DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- A) In the preparation of the annual financial statements for the year ended March 31, 2022, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
- B) for the financial year ended March 31, 2022, such accounting policies as mentioned in the Notes to the financial statements have been applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the Profit and Loss of the Company for the year ended March 31, 2022.
- C) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.



For: Janki Corp Limited

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safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- D) The annual financial statements have been prepared on a going concern basis.
- E) That proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- F) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

d) REMUNERATION POLICY OF THE COMPANY:

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, Independence of a Director and other related matters has been already discussed above.

e) SECRETARIAL AUDIT:

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of Mr. Avinash Nolkha, from Avinash Nolkha & Associates, Company Secretary in Practice, Bhilwara to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2022.

The Secretarial Audit Report (in Form MR-3) is attached as Annexure-VI to this Report. The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

f) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Section 186 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014. The details of Investments made under the said Section are provided in Financial Statement.

g) RELATED PARTY TRANSACTIONS:

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length pricing basis. The Audit Committee granted omnibus approval for the transactions (which are repetitive in nature) and the same was reviewed by the Audit Committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the financial year 2021-22 which were in conflict with the interest of the Company. Suitable disclosures as required under AS-18 have been made in Note 35 of the Notes to the financial statements.

Details of the transaction are provided in Form AOC-2 which is attached as Annexure-III to this Report.



For: Janki Corp Limited
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h) Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2022 and till date of the Report:

There has been a slowdown in usual selling, manufacturing and daily operations; which was due to COVID-19 pandemic outbreak. This was a threat in World economy and meanwhile our industry was also disturbed by the same. The Company has evaluated the impact of this pandemic on its business operations as well as on the financial position and based on its review of current indicators of future economic conditions there is slight significant impact on its financial results as at 31st March, 2022. However, the impact assessment of covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions. The recent havoc of pandemic, in the form of second wave of COVID-19, has reinforced the fact that a dedicated fleet of employees are the backbone of any organization so during this pandemic the Company has taken initiative medical camps and vaccinated with 1st dose of vaccine to all its employees and workers at free of cost.

i) RISK MANAGEMENT POLICY:

Your Company has a robust Risk Management policy. The Company through a Steering Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

j) BOARD EVALUATION:

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at



For: Janki Corp Limited
Secretary

which the performance of the Board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

k) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition. Company policies, guidelines and procedures provide for adequate checks and balances and are meant to ensure that all transactions are authorized, recorded and reported correctly.

The Company reviews the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects. The Audit Committee of the Board of Directors approves and reviews audit plans for the year based on internal risk assessment. Audits are conducted on an on-going basis and significant deviations are brought to the notice of the Audit Committee of the Board of Directors following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularities and early remedial steps.

l) Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

16) PREVENTION OF SEXUAL HARASSMENT POLICY:

The Company has in place a Prevention of Sexual Harassment policy in line with their requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2021-2022, no complaints were received by the Company related to sexual harassment.

17) ENVIRONMENT MANAGEMENT:

Your Company is totally committed to sustainable development and reduces its environmental impact. The Company focuses on environmental management not just to comply with the applicable regulatory regime, rather it has completed various environment program such as Ground water recharging, energy conservation measures, pollution control, plantation of trees, etc. Your company is having well designed and operated waste treatment facilities to



For: Janki Corp Limited

[Signature]

control pollution. Major thrust is on 3R concept (Reduce, Re-use and Re-cycle) of the effluents being generated. The Company has well developed and maintained green belt, gardens, lawns surrounding the plants. Your company always ensures to plant new trees and this year also more than thousands of new trees were planted.

18) ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information required under Section 134 of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished in Annexure-I to this Report

19) CAUTIONARY NOTE:

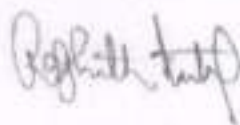
The statements forming part of the Directors' Report may contain certain forward looking remarks within the meaning of applicable securities laws and regulations. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied by such forward looking statements.

20) ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

The Directors regret the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked his life and safety to fight this pandemic.

For and on behalf of the Board

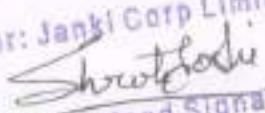


(Raghunath Mittal)
Chairman
DIN: 00175295



(Rahul Mittal)
Managing Director
DIN: 00808409

Place: Bhilwara
Date: 27th May, 2022

For: Janki Corp Limited

Authorised Signatory

ANNEXURE TO THE DIRECTORS' REPORT

Annexure I:

Statements Particulars required by the Section 134(3) (m) of the Companies Act, 2013 ("the Act") read with rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Director's Report for the year ended March 31, 2022.

A. Conservation of Energy:

Workplace forms another pillar on implementation of best practices in ecological sustainability towards the conservation programs. Industry continuously working for improvement of quality, efficiency of machines, betterment of environment and safety. This year installed continuous bleaching Range machines and improve production quality. We have installed Biological based Effluent Treatment Plant and fourth stage RO plant to improve recycle of wastes which ultimately reduced the consumption of ground waters, saves resources. Industry also commissioned Boiler monitoring system, by which saved fuel consumption, this way reduces consumption of natural resources (coal) and enhance profitability of the Company.

Form "A"

Form for disclosure of particulars with respect to conservation of energy:

i. Power & Fuel Consumption

S. NO.	Particulars	31 March 2022			31 March 2021		
		Textile	Steel	Energy	Textile	Steel	Energy
1.	Electricity						
	(a) Purchased/Produced						
	Units	8,246,540	293,800	-	6,047,910	687,700	-
	Amount	58,389,076	3,246,355.5	-	45,775,814	8,200,299	-
	Rate / Unit	7.08	11.05	-	7.57	11.92	-
	(b) Own Generation through DG						
	Units	22,630	-	-	28,282	-	-
	Amount	645,003	-	-	714,713	-	-
	Average Rate	28.50	-	-	25.27	-	-
	Unit / Liters	3.17	-	-	3.20	-	-
	(c) Own Generation through CPP/Solar						
	Units	1,575,362	54,111,910	-	1,499,609	4,41,20,533	-
	Amount	-	209,559,300.81	-	-	9,79,65,570.37	-
	Average Rate	-	3.87	-	-	2.21	-
	Unit / Liters	-	-	-	-	-	-
2.	Coal & Lignite						
	Quantity (MT)	38,088	233093.2	370	21,028.94	220,967	380
	Total Cost (Rs.)	170040,910	2613,022,104.55	3,636,486.08	91,612,168	1,331,411,466	2,417,440
	Average Rate	4,464.46	11210.20	9,828.34	4,356.48	6,025.39	6,361.68
3.	Fire Wood						
	Quantity (MT)	-	-	-	-	-	-
	Total Cost (Rs.)	-	-	-	-	-	-
	Average Rate	-	-	-	-	-	-



For: Janki Corp Limited

 Authorised Signatory