

**SCHEME
OF
CAPITAL REDUCTION
OF
POWER AND INSTRUMENTATION (GUJARAT) LIMITED**

**(UNDER SECTION 66 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013)**

This Scheme provides for undertaking capital reduction of **POWER AND INSTRUMENTATION (GUJARAT) LIMITED** (hereinafter referred as "PIGL or "the Company"), whereby the paid-up share capital of the PIGL shall be reduced from Rs.8,58,39,000/- divided into 85,83,900 equity shares of Rs.10/- each fully paid-up to Rs.8,39,39,000/- divided into 83,93,900 equity shares of Rs.10/-each fully paid-up and that such selective reduction be effected by reducing the paid-up share capital of the Company by Rs.19,00,000/-, divided into 1,90,000 equity shares of Rs.10/- each, and payment of premium thereon, at the rate of Rs. 6.52 per share and that such premium aggregating to Rs.12,38,800/- (Rupees Twelve lakhs Thirty Eight thousand Eight Hundred Only) be utilized and paid out of the balance in the Securities Premium Account of the Company as on March 31, 2022, to the shareholders whose equity shares were not permitted for listing and trading by National Stock Exchanges (NSE EMERGE), as detailed in the Scheme hereinafter.

SALIENT FEATURES OF THE SCHEME

1. The Scheme provides for the reduction of equity share capital of **POWER AND INSTRUMENTATION (GUJARAT) LIMITED** pursuant to section 66 read with section 52 and other relevant provisions of the Companies Act, 2013.
2. The Scheme also provides for various other matters consequential, supplemental and/or otherwise integrally connected herewith.

SECTION OF THE SCHEME

The Scheme is divided into the following parts:

- a. **SECTION 1** which deals with the Definitions and Date of taking effect of the Scheme.
- b. **SECTION 2** deals with reduction of capital of **POWER AND INSTRUMENTATION (GUJARAT) LIMITED**
- c. **SECTION 3** deals with Other Terms and Conditions.

SECTION 1

DEFINITIONS AND DATE OF TAKING EFFECT OF THE SCHEME

1. DEFINITIONS

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 "Act" means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.2 "Capital Reduction" means the selective reduction of 1,90,000 (One lakhs Ninety Thousand) fully paid-up equity shares of face value of Rs. 10/- (Indian Rupees Ten) each of the Company at a value of Rs. 16.52 per share (including premium amount of Rs. 6.52 per share) held by Mr. Prajal Bhandari and Ms. Nandini Agarwal.

- 1.3 "Company" means Power And Instrumentation (Gujarat) Limited, a company incorporated under the Companies Act, 1956, having its registered office at B-1104 Sankalp_Iconic, Opp. Vikram Nagar, Iscon Temple Cross Road, S. G. Highway, Ahmedabad - 380054, Gujarat.
- 1.4 "Effective Date" means the date on which the certified copies of the Order of the National Company Law Tribunal, Ahmedabad Bench or any other appropriate authority sanctioning the Scheme and the minutes of reduction are registered by the Registrar of Companies, Gujarat at Ahmedabad ("RoC") and a certificate is issued by the RoC to that effect.
- 1.5 "In Principle Approval" (IPA) means the In-principle approval dated April 20, 2021 issued by the NSE in terms of Regulation 28(1) of the SEBI (LODR) Regulations, 2015 for Preferential Issue.
- 1.6 "IndAS" means the Indian Accounting Standards prescribed under Section 133 of the Act.
- 1.7 "Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- 1.8 "NCLT" or "Tribunal" means National Company Law Tribunal, Ahmedabad Bench as constituted and authorized as per the provisions of the Act.
- 1.9 "NSE" Means National Stock Exchange of India Limited.
- 1.10 "Para" means paragraph of this Scheme.

- 1.11 "PIGL" or "the Company" means Power and Instrumentation (Gujarat) Limited, a Company incorporated under provisions of the Companies Act, 1956 and having its Registered Office at B-1104 Sankalp Iconic, Opp. Vikram Nagar, Iscon Temple Cross Road, S. G. Highway, Ahmedabad – 380054, Gujarat.
- 1.12 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Capital Reduction of Power And Instrumentation (Gujarat) Limited in its present form submitted to NCLT or any other appropriate authority or with any modification(s) made under Clause 11 of this Scheme.
- 1.13 "SEBI" means the Securities and Exchange Board of India;
- 1.14 "The Board" means the Board of Directors of Power and Instrumentation (Gujarat) Limited and shall include a duly constituted committee thereof.

2. DETAILS OF THE COMPANY

2.1 Incorporation of the Company

- a. The Company was originally incorporated as 'Power & Instrumentation (Gujarat) Private Limited" on September 12, 1983 under the Companies Act 1956 with a Certificate of Incorporation issued by Registrar of Companies, Gujarat. The Company was subsequently converted into a public company and consequently name was changed from 'Power & Instrumentation (Gujarat) Private Limited to 'Power & Instrumentation (Gujarat) Limited vide a fresh certificate of incorporation dated July 05, 2004 issued by the Registrar of Companies, Ahmedabad, Gujarat.

- b. The registered office of the Company is situated at B-1104 Sankalp Iconic, Opp. Vikram Nagar, Iscon Temple Cross Road, S. G. Highway, Ahmedabad - 380054, Gujarat.
- c. The corporate identity number of the Company is L32201GJ1983PLC006456.
- d. The shares of the Company are currently listed on SME (EMERGE) of the NSE.
- e. The Company is, inter alia, engaged in the business of Electrical equipment, General Purpose and Special purpose Machinery & equipment, Transport equipment

2.2 Objects of the Company

Main objects of the Company as contained in the Clause III(A) of the Memorandum of Association of the Company are reproduced herein below:

1.To carry of business of manufacturing, buying, selling, importing electrical and mechanical components, and exporting or otherwise dealing in all types of electrical and electronic control panels, electric light fittings devices such as magnets, transformers, coils, sockets, electric boxes, machinery spare parts, L. T. Distribution boards, switch boards, fuse boards, motor control centres, switchfuse unit panels.

2.To carry on all or any of the business of manufacturers, exporters, maintainers of and dealers in and electrical repairers, electronic appliances, equipments, components and apparatus, such transistors, semiconductors, integrated circuits, solid state devices and capacitors, fixed and variable inductors, coils and transformers, fixed, tuneable and variable, wire cable,

tuners, plugs, sockets, jaks and adaptors, electric microphones, analysers, testers, controllers, stabilizers, oscilloscopes of all kinds and description including components, parts, materials, and accessories thereof.

3.To carry on the business of electrical engineers, electricians, engineers, contractors, manufacturers, constructors, suppliers, of and dealers in electrical and other appliances, wirelines, dry cells, batteries, dynamos, meters, accumulate, lamps and works, and to generate, accumulate, distribute and to supply electricity for the purpose of light, heat, motive power, and for all other purposes for which electrical energy can be employed, and to manufacture and deal in all apparatus required for or capable of being used in connection with the generation distribution, supply, accumulation, and employment of electricity, included in the term electrically all power that may be directly or indirectly derived therefrom or any be incidentally hereafter discovered in dealing with electricity.

4.To manufacture, buy, import, export, put up, sell use, hire set on hire, repair assemble, distribute or otherwise deal in or trade in resistors, capacitors, connectors, relays, switches, equipments, electro chemicals, telephones, telegraphs (wireless or others) phonographs, radios, diagram loudspeakers, microphones, ear phones, television sets, radio and television antennas, dynamos, accumulators, transformers, amplifiers, transmitters, panel meters, chokes, cables, wires, tapes cassettes, rerittes, dry cells, batteries, incandescent lamps, fluorocent lamp and fittings, torches, lighters and all appliances, apparatus, machinery goods, gadgets, articles and things, not known or which may hereafter be invented or connected with the generation, accumulation, distribution, supply or employment of electricity or any power, force, or energy that can be used as substitute thereof including all cables,

wires, or appliances for connecting apparatus at a distance with the other apparatus and including the formation, maintenance and alteration of exchanges and centres.

2.3 Capital Reduction and the Article 10 of the Articles of Association of the Company:

“The Company may (subject to the provisions of sections 52, 55, 66 both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital: (b) any capital redemption reserve account; or (c) any security premium account in any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.”

2.4 Share Capital

The Authorized, Issued, Subscribed and Paid up Share Capital of Power and Instrumentation (Gujarat) Limited as per the latest audited financial as at 31st March, 2022 is as under:-

Particulars	(Amount in Rs.)
Authorised Share Capital	
1,30,00,000 Equity Shares of Rs.10/- each	13,00,00,000

Total	13,00,00,000
Issued & Subscribed Capital	
85,83,900 Equity Shares of Rs.10/- each	8,58,39,000

Total	8,58,39,000
Paid-up Share Capital	
85,83,900 Equity shares of Rs.10/- each	8,58,39,000

Total	8,58,39,000

Subsequent to the above, the Company has made an allotment of 38,50,000 warrants on 04.05.2021 and 2,00,000 warrants on 05.05.2021, convertible into 40,50,000 equity shares. The warrants are yet to be converted into equity shares.

2.5 Financials of the Company

Particulars	Financial Year ended	Period Ended March
	March 31, 2021	31, 2022
	(Amount in Lakhs)	(Amount in Lakhs)
Total Current Assets	5398.88	8901.48
Total Current Liability	2994.03	5526.17
Profit/ (Loss)	345.83	368.14

3. PROMOTERS AND DIRECTORS

- 3.1 The names of the promoters of the Company as on the date of approval of the Scheme along with their addresses are set forth below:

Sr. No.	Name	Promoter / Promoter Group	Address
1	Padmaraj Padmnabhan Pillai	Promoter	A-102 Shivam Classi, Nr. Trilok Row House, B/h.Lad Society, Bodakdev Ahmedabad
2	Padmavati Padmanabhan Pillai	Promoter	A-102 Shivam Classi, Nr. Trilok Row House, B/h.Lad Society, Bodakdev Ahmedabad
3	Sriram Padmanabhan Nair	Promoter Group	D -32 Nebula Tower Opp, Grand bhagawati, Nr SG Road, Bodakdev, Ahmedabad
4	Kavita Padmaraj Pillai	Promoter Group	A-102 Shivam Classi, Nr. Trilok Row House, B/h.Lad Society, Bodakdev Ahmedabad
5	Shreekala Padmanabhan Pillai	Promoter Group	501, Vasupujya Appts, B/h, Rajpath Hotel, Satellite, Ahmedabad.

6	Sreelatha Padmanabhan Nair	Promoter Group	601- C, Kasturi Complex, Opp. Sharaddha Petrol Pump, Bodakdev, Ahmedabad
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3.2 The names of the directors of the Company as on the date of approval of the Scheme along with their addresses are set forth below:

Sr. No.	Name of Director	Designation	Address
1	Padmaraj Padmnabhan Pillai	Managing Director	A-102 Shivam Classi, Nr. Trilok Row House, B/h.Lad Society, Bodakdev Ahmedabad
2	Manav Rastogi	Independent Director	55 , Anand Lok, New Delhi -110049
3	Sumeet Dileep Agnihotri	Director	901,Ashima Tower, Achme Fountain Road, Opp. Sunrise Park, Vastrapur, Ahmedabad 380 054
4	Padmavati Padmanabhan Pillai	Director	A-102 Shivam Classi, Nr. Trilok Row House, B/h.Lad Society, Bodakdev Ahmedabad
5	Sriram Padmanabhan	Director	D -32 Nebula Tower

	Nair		Opp, Grand bhagawati, Nr SG Road, Bodakdev, Ahmedabad
6	Kavita Padmaraj Pillai	Director	A-102 Shivam Classi, Nr. Trilok Row House, B/h.Lad Society, Bodakdev Ahmedabad
7	Rucha Balmukund Daga	Independent Director	C-14, Shradul Apartment, Near Shyamal Row house, Ahmedabad -380051

4. OTHER DISCLOSURES

- 4.1 No investigations or proceedings have been instituted and are pending against the Company under the Act.
- 4.2 The Company has not accepted any deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Hence, the Company is not in arrears with respect to repayment of any deposits or interest thereon, as on the date of filing of this Scheme.
- 4.3 The Scheme will not have any adverse effect on any directors, key managerial personnel, promoters, non-promoter members, creditors and employees and

depositors of the Company. The Company does not have any debenture holders. The Scheme will be in the best interest of all the stakeholders of the Company.

- 4.4 The benefits of the Scheme to the Company and its respective members, creditors and employees, as perceived by the Board, are mentioned in Section 2 of the introduction of this Scheme (Selective Reduction of Share Capital of the Company).

Section 2

Selective Capital Reduction of the Company

5. BACKGROUND AND RATIONALE TO THE SCHEME

The background and circumstances which justify the said scheme are inter- alia as follows.

- 5.1 The proposed reduction of the equity share capital of the Company is being undertaken in accordance with the provisions of Section 66 read with Section 52 of the Act and the rules made thereunder and specifically the Rules, which permit a company to undertake a reduction of its share capital in any manner, read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"/ Listing Regulations"), SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR") and the SEBI Circular (as defined hereinafter).
- 5.2 The Company's shares are listed on NSE on the SME EMERGE platform (herein referred as "NSE" and/or "Stock Exchange").

- 5.3 The shareholders of the Company have approved the issue and allotment of 15,40,000 equity shares and 40,50,000 warrants convertible into equal number of equity shares on preferential basis at their extra ordinary general meeting held on March 13, 2021 and the Company has received in-principal approval from NSE on April 20, 2021 for the same.
- 5.4 The Company has made allotment of 38,50,000 Warrants on 04/05/2021 and 2,00,000 Warrants on 05/05/2021 at price of Rs.16.52/- per warrant convertible into 40,50,000 equity shares of Rs.10/- each in terms of the provisions of the Companies Act, 2013, Listing regulations, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (SEBI (ICDR) Regulations).
- 5.5 The Company has also made allotment of 15,40,000 equity shares on 04/05/2021 at price of Rs.16.52/- per share (including premium of Rs.6.52/- per share) on preferential basis to the selected group of persons to whom the offer was made. However, out of the total 15,40,000 shares allotted, the Company has received listing and trading approval of 13,50,000 equity shares only from NSE. NSE has not granted listing and trading approval of total 1,90,000 equity shares (1,50,000 and 40,000 equity shares allotted to Mr. Prajal Bhandari and Ms. Nandini Agarwal respectively) owing to certain non-fulfilment of certain conditions specified in the Regulation 167(6) of the SEBI (ICDR) .
- 5.6 Regulation 167(6) of the SEBI ICDR is reproduced herein below:

Regulation 167(6):

"The entire pre-preferential allotment shareholding of the allottees, if any, shall be locked-in from the relevant date up to a period of six months from the date of trading approval:

Provided that in case of convertible securities or warrants which are not listed on stock exchanges, the entire pre-preferential allotment shareholding of the allottees, if any, shall be locked-in from the relevant date up to a period of six months from the date of allotment of such securities.”

- 5.7 It was informed by NSE that the entire pre-preferential allotment shareholding of the two allottees, Mr. Prajal Bhandari and Ms. Nandini Agarwal, were not locked-in according to the provisions of Regulation 167(6) in as much as the aforesaid two allottees executed certain trades (buy and sell) in the shares of the Company. The two allottees have submitted to the Company that the trades were executed without any mala fide intent on their part.
- 5.8 Due to non-adherence to the lock-in conditions of Regulation 167(6) of the SEBI (ICDR) Regulations 2018 with respect to the pre-preferential allotment shareholding of the afore-stated two allottees, the NSE has not granted Listing and Trading approval of 1,90,000 equity shares. The Company thereafter filed application with SEBI for grant of exemption from the strict applicability/compliance of the relevant conditions in view of the inadvertent errors on the part of the afore-stated two allottees, however, the application of the Company for exemption to comply with the terms as provided under Regulation 167(3) was not approved by the SEBI.
- 5.9 In terms of the SEBI ICDR and SEBI LODR the Company cannot issue further shares and/or securities convertible into equity shares until all the previously issued/allotted equity shares get listing and trading approval from the concerned exchange/s where shares of the company are listed.

- 5.10 The Company has explored all possibilities of getting listing and trading approvals of these 1,90,000 equity shares and came to the conclusion that the same is not possible.
- 5.11 Looking to the said provisions, funds requirements in future and possible conversion of upto 40,50,000 warrants into equity shares, it has now become inevitable for the Company to repay the application and allotment money received on 1,90,00 equity shares to respective allottees and such repayment will cause capital reduction in terms of Section 66 read with Section 52 of the Companies Act, 2013.
- 5.12 After this specific capital reduction of 1,90,000 equity shares there would not be any unlisted equity shares of the Company.
- 5.13 The Company issued these 1,90,000 equity shares at price of Rs.16.52/- per share (including premium of Rs.6.52/- per share) to Mr. Prajal Bhandari and Ms. Nandini Agarwal and proposes to carry out capital reduction by way of repaying the issue price of Rs.16.52/- (including premium of Rs.6.52/- per share) received on the allotment to the aforesaid allottees.
- 5.14 The proposed reduction of the equity share capital of the Company would not have any adverse effect on the creditors of the Company or the Company's ability to fulfil its commitments or meet its obligations in the ordinary course of business as the total reduction of capital by way of repayment is Rs. 31,38,800/- (Rupees Thirty-one lakhs Thirty-eight thousand Eight Hundred only) including premium of Rs.12,38,800/-, which is less than 1% of total Net Worth of the Company as on March 31, 2022. Further, the proposed capital reduction shall



result in an increase in proportionate shareholding of other shareholders of the Company, including public shareholders.

- 5.15 Hence, the proposed reduction will be for the benefit of the Company and its shareholders and all stakeholders and concerned as a whole.

6. COMPLIANCE

- 6.1 The consent of the members of the Company for the Capital Reduction and this Scheme shall be obtained through a special resolution under the provisions of Section 66 of the Act and any other applicable provision of the Act and Listing Regulations.
- 6.2 The Scheme, if sanctioned, shall be fully in compliance with the Securities and Exchange Board of India Act, 1992, Listing Regulations and SEBI Circulars. Upon the Scheme becoming effective, the Company shall ensure compliance with applicable provisions of the Listing Regulations.

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE COMPANY;

- 7.1. The Company will repay the allotment amount (Issue Price) i.e. Rs.16.52/- per share received for 1,50,000 and 40,000 equity share which were allotted to Mr. Prajal Bhandari and Ms. Nandini Agarwal respectively.
- 7.2. The Company shall reduce the existing Paid-Up Equity Share Capital **FROM 8,58,39,000/-** divided into 85,83,900 Equity Shares of Rs.10/- each fully paid-up

TO **Rs. 8,39,39,000/-** divided into 83,93,900 equity shares of Rs.10/- each fully paid up and that such selective reduction be effected by reducing the paid-up share capital of the Company by Rs.19,00,000/-, divided into 1,90,000 equity shares of Rs.10/- each, and payment of premium thereon, at the rate of Rs. 6.52 per share and that such premium aggregating to Rs.12,38,800/- (Rupees Twelve lakhs Thirty Eight thousand Eight Hundred Only) be utilized and paid out of the balance in the Securities Premium Account of the Company as on March 31, 2022, to the shareholders whose equity shares were not permitted for listing and trading by NSE on its platform NSE EMERGE.

- 7.3. To effect the repayment of capital and securities premium as envisaged in para 7.2 shall be done out of Cash and Bank Balance of the Company.
- 7.4. Upon the Scheme becoming effective, 1,90,000 (One Lakh Ninety Thousand) fully paid-up equity shares of the Company of Rs.10/- (Indian Rupees Ten) each held by Mr. Prajal Bhandari and Ms. Nandini Agarwal shall be cancelled and extinguished and consequently, the paid-up equity share capital of the Company as on the Effective Date shall become **Rs. 8,39,39,000/-** divided into 83,93,900 equity shares of Rs.10/- each fully paid up.
- 7.5. The Capital Reduction and the consequent cancellation of the equity share capital as hereinabove and the securities premium of the Company, shall be effected as per the provisions of Section 66 read with Section 52 of the Act and other applicable provisions of the Act, rules (including the Rules) and regulations made thereunder upon the Scheme becoming effective.



- 7.6. The Scheme does not in any manner alter, vary or affect the payment of any dues or outstanding amounts, including all or any of the statutory dues payable or outstanding.
- 7.7. The Scheme does not envisage transfer or vesting of any of the properties and or liabilities of the Company to any person or entity.
- 7.8. The Scheme is merely a Capital Reduction and does not involve any conveyance or transfer of any property of the Company and does not involve any issuance of shares. Consequently, the order of NCLT approving the Scheme will not attract any stamp duty.
- 7.9. During the pendency of this Scheme, Mr. Prajal Bhandari and Ms. Nandini Agarwal will be eligible for all the rights, other than the rights with respect to listing on NSE, in the capacity of shareholders of the Company, including but not limited to, receiving the dividend and bonus shares, participating in any rights issue and buy-back, voting in the shareholders' meeting and participate in any other corporate action taken by the Company.

8. THE PRE REDUCTION AND POST REDUCTION CAPITAL STRUCTURE OF THE COMPANY IS AS UNDER:

Particulars	Pre Reduction (Rs.)	Particulars	Post Reduction (Rs.)
Authorised Share Capital 1,30,00,000 Equity Shares		Authorised Share Capital 1,30,00,000 Equity Shares	

of Rs.10/- each	13,00,00,000	of Rs.10/- each	13,00,00,000
TOTAL	13,00,00,000	TOTAL	13,00,00,000
Issued Subscribed and Paid-up Capital: 85,83,900 Equity shares of Rs.10/- each	8,58,39,000	Issued, Subscribed and Paid-up Capital: 83,93,900 Equity shares of Rs.10/- each	8,39,39,000
TOTAL	8,58,39,000	TOTAL	8,39,39,000

The above table would be different as and when the 40,50,000 convertible warrants are converted into equity shares.

9. THE PRE REDUCTION AND POST REDUCTION SHARE HOLDING PATTERN IS AS UNDER:

Category of Shareholder	Number of Shares (pre reduction) of Rs. 10/- each	Pre Reduction %	Number of Shares (post reduction) of Rs.10/- each	Post Reduction %
Promoter And Promoter Group	49,01,500	57.10	49,01,500	58.39
Financial institutions/Bank	0	0	0	0
Bodies Corporate	6,24,000	7.27	6,24,000	7.43
Individual	30,58,400	35.63	28,68,400	34.17
TOTAL	85,83,900	100.00	83,93,900	100.00

The above table would be different as and when the 40,50,000 convertible warrants are converted into equity shares.

10. MISCELLANEOUS

Notwithstanding the reduction of the capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words thereof.

11. MINUTE

The Form of Minute proposed to be registered under Section 65(5) of the Act and Rule 6(2) of the Rules is as follows:

"Approval is hereby accorded pursuant to Section 65 read with Section 52 and other applicable provisions, if any, of the Companies Act, 2013, to the Special Resolution of Shareholders/Members of POWER AND INSTRUMENTATION (GUJARAT) LIMITED ("the Company") to be passed at the ensuing Extra-Ordinary General Meeting approving the utilization of Rs. 19,00,000 (Rupees Nineteen Lakhs Only) out of the paid-up share capital of the Company and Rs. 12,38,800 (Rupees Twelve Lakh Thirty Eight Thousand Eight Hundred only) out of the balance in Securities Premium Account for the reduction of 1,90,000 (One Lakh Ninety Thousand) subscribed, issued and fully paid Equity Shares of Rs. 10/- (Rupees Ten Only) each for cash at a premium of Rs. 6.52 per share for an aggregate consideration of Rs. 31,38,800/- (Rupees Thirty One Lakh Thirty Eight Thousand Eight Hundred Only) towards the capital reduction.

The Equity Share Capital of the Company shall henceforth be reduced FROM 8,58,39,000/- (Eight Crore Fifty Eight Lakh Thirty Nine Thousand Only) divided

into 85,83,900 (Eighty Five Lakh Eighty Three Thousand Nine Hundred Only) Equity Shares of Rs.10/- each fully paid-up TO Rs. 8,39,39,000/- (Eight Crore Thirty Nine Lakh Thirty Nine Thousand Only) divided into 83,93,900 (Eighty Three Lakh Ninety Three Thousand Nine Hundred Only) equity shares of Rs.10/- each fully paid up and the balance in the Securities Premium Account of the Company as on March 31, 2022 shall be henceforth reduced from Rs. 5,29,12,800 (Rupees Five Crore Twenty Nine Lakh Twelve Thousand Eight Hundred only) to Rs. 5,16,74,000 (Five Crore Sixteen Lakh Seventy Four Thousand only) as on the date of the registration of this minute.

As on the date of registration of this minute, 83,93,900 (Eighty-three Lakhs Ninety Three Thousand Nine Hundred Only) equity shares of Rs. 10/- (Rupees Ten Only) each of the Company shall be deemed to have been issued, subscribed and fully paid-up.”

12. LEGAL PROCEEDINGS

The Scheme will not affect any legal or other proceedings by or against the Company, pending or arising, but the proceedings may be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Company prior to the Scheme.

13. CONDUCT OF BUSINESS BY COMPANY

The Scheme does not involve any financial outlay or outgo, and therefore, will not affect the ability or liquidity of the Company to meet its obligations / commitments in the normal course of business. Further, this Scheme will also

not in any way adversely affect the ordinary operations of the Company during the course, or after the approval, of the Scheme.

Section 3

OTHER TERMS AND CONDITIONS

14. BONUS/RIGHT SHARES

After filing the Scheme and up to the Effective Date, the Company shall not issue or allot any shares or other financial instrument by the way of bonus shares, right shares or otherwise, other than the issue of equity shares upon the conversion of the 40,50,000 convertible warrants in accordance with the terms of issue thereof.

15. APPLICATIOIN TO THE TRIBUNAL

The Company shall, with all reasonable dispatch make all necessary applications to the Tribunal, for sanctioning/confirming this Scheme under Section 66 read with section 52 and other provisions of the Companies Act, 2013.

16. MODIFICATION/AMENDMENTS TO THE SCHEME

The Company through its Board of Directors ('the Board', which term shall include Committee thereof), may consent on behalf of all persons concerned to any modification or amendments of this Scheme or to any conditions which the Tribunal and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.

For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Company are authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

17. CONDITIONALITY OF THE SCHEME

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

- 17.1 The requisite consent, approval, sanctions and approvals under the applicable law of the Central Government or Stock Exchanges or any other agency, department or authorities concerned including but not limited to approvals, sanctions required under the SEBI Circular Ref, SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22,2020 issued by SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be required by law in respect of this Scheme, being obtained;
- 17.2 The requisite resolutions under the applicable provisions of the said Act being passed by shareholders of the Company for any of the matter provided for or relating to the Scheme as may be necessary or desirable.

- 17.3 The sanctions of the Tribunal under Section 66 read with Section 54 of the Act in favour of the Company and the necessary order being obtained.
- 17.4 Certified or authenticated copies of the Order of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies, Gujarat, at Ahmedabad by the Company.
- 17.5 The Certified or authenticated copies of the Order of the Tribunal sanctioning the Scheme and minute thereof being registered by the Registrar of Companies, Gujarat, at Ahmedabad ("RoC") and a certificate of registration of the minute of order issued by the RoC.

18. COSTS, CHARGES, TAXES AND EXPENSES

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

19. EMPLOYEES

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

20. CONTRACTS, DEEDS BONDS AND OTHER INSTRUMENTS

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

21. CONDUCT OF BUSINESS OF COMPANY

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

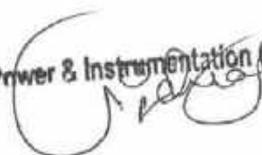
22. SEVERABILITY

If, in the opinion of the Board, any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of other parts or provisions of the Scheme. If any part of this Scheme here of is invalid ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future laws then such part shall be severable from the remainder of the Scheme and the Scheme shall not be affected thereby unless the deletion of such part shall cause this Scheme to become materially adverse, in which case the Board shall attempt to bring a suitable modification to the Scheme. The Board shall be entitled to revoke cancel and declare the Scheme to have no effect, if the Board is of the view that the

Company into effect of the Scheme would have adverse implications on the Company.

23. LISTING OF SHARES

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

For. Power & Instrumentation (Guj.) Ltd

Director