

**NOTICE - EQUITY
SHAREHOLDERS**

SHREE MANUFACTURING COMPANY LIMITED

Registered Office : Suite # 712, Prasad Chambers, Opera House, Mumbai 400 004

Tel. No. : 022 - 66631999

CIN : L36999MH1976PLC286340

E-mail : shreemanufacturing@hotmail.com

Website : www.smcl.in

**MEETING OF THE EQUITY SHAREHOLDERS
WHICH INCLUDES PUBLIC SHAREHOLDERS
OF**

SHREE MANUFACTURING COMPANY LIMITED

*(convened pursuant to an order dated 28th day of May, 2019 passed by the National Company Law
Tribunal, Bench at Mumbai)*

MEETING:

Day	:	Friday
Date	:	19 th day of July ,2019
Time	:	11.00 a.m. (1100 hours)
Venue	:	Suite # 712, Prasad Chambers, Opera House, Mumbai 400 004

POSTAL BALLOT AND E-VOTING:

Start Date and Time	:	19 th day of June, 2019 at 9.00 a.m. (0900 hours)
End Date and Time	:	18 th day of July, 2019 at 5.00 p.m. (1700 hours)

INDEX

Sr.	Contents	Page No.
1	Notice convening the meeting of the equity shareholders (which includes Public Shareholders) of Shree Manufacturing Company Limited under the provisions of Sections 230-232 read along with Section 55, 66 and 48 and other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	1-14
2	Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	15-45

3	Annexure 1 Scheme of Arrangement between Shree Manufacturing Company Limited and its respective shareholders under Sections 230-232 of the Companies Act, 2013 read along with Sections 55,66 and 48 and other applicable Provisions of the Companies Act, 2013	46-60
4	Annexure 2 Valuation Report dated 26 th day of September, 2018 issued by M/s. S A G S & Associates Chartered Accountants	61-72
5	Annexure 3 Fairness Opinion dated 26 th day of September, 2018 issued by Corporate Capital Ventures Private Limited	73-79
6	Annexure 4 Copy of Observation letter dated 30 th day of January, 2019 from BSE Limited to Shree Manufacturing Company Limited	80-81
7	Annexure 5 Complaints Report dated 11 th day of November, 2018 submitted by Shree Manufacturing Company Limited to BSE Limited	82-83
8	Annexure 6 Summary of the Valuation Report including the basis of valuation	84-85
9	Annexure 7 Report adopted by the Board of Directors of Shree Manufacturing Company Limited in its meeting held on 26 th day of September, 2018 pursuant to the provisions of Section 232(2) (c) of the Companies Act, 2013	86-90
10	Annexure 8 Supplementary audited Accounting Statement of Shree Manufacturing Company Limited for the year ended 31 st March, 2019	91-100
11	Proxy Form	Loose Leaf insertion
12	Attendance Slip	Loose Leaf insertion
13	Postal Ballot Form with instructions and self-addressed postage prepaid Business Reply Envelope	Loose Leaf insertion
14	Route Map	101

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT MUMBAI
COMPANY APPLICATION (C.A.A) NO. 823 (MAH) of 2019

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to 232 read with Sections, 55, 66, 48 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

AND

In the matter of Shree Manufacturing Company Limited, a company incorporated under the provisions of the Companies Act, 1956

AND

In the matter of Scheme of Arrangement between Shree Manufacturing Company Limited and their respective Shareholders

Shree Manufacturing Company Limited,)

a company incorporated under the)

Companies Act, 1956, having its)

registered office at Suite # 712, Prasad)

Chambers, Opera House, Mumbai 400 004)

Email id :-shreemanufacturing@hotmail.com).. the Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS (WHICH INCLUDES PUBLIC SHAREHOLDERS) OF THE APPLICANT COMPANY

To,

All the equity shareholders of Shree Manufacturing Company Limited (the "Applicant Company"):

NOTICE is hereby given that by an Order dated 28th day of May, 2019 (the "**Order**"), the Hon'ble National Company Law Tribunal, Mumbai Bench at Mumbai ("**NCLT**") has directed a

meeting to be held of the equity shareholders of the Applicant Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Shree Manufacturing Company Limited and its respective shareholders and Creditors ("**Scheme**").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the equity shareholders of the Applicant Company will be held at Suite # 712, Prasad Chambers, Opera House, Mumbai 400 004 on Friday the 19th day of July, 2019 at 11.00 a.m. (1100 hours) at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 – 232 read along with Section 55, 66 and 48 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made there under (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, the observation letter issued by BSE Limited dated 30th day of January, 2019 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, Mumbai Bench at Mumbai ("**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), the arrangement embodied in the Scheme of Arrangement between Shree Manufacturing Company Limited and its respective shareholders ("**Scheme**") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

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 arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in 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 including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or

your authorised representative, is deposited at the registered office of the Applicant Company at Suite # 712, Prasad Chambers, Opera House, Mumbai 400 004 not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. *CFD/DIL3/CIR/2017/21 dated 10th March, 2017*, issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders, which includes the Public Shareholders (*as defined in the Notes below*), to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Applicant Company to the Scheme shall be carried out through (i) postal ballot or e-voting and (ii) ballot or polling paper at the venue of the meeting to be held on 19th day of July, 2019.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (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 Applicant Company at Suite # 712, Prasad Chambers, Opera House, Mumbai 400 004 or at the office of its advocates, M/s. DUA Associates, 116, Free Press House, 11th floor, 215, Backbay Reclamation III, Nariman Point, Mumbai - 400 021.

NCLT has appointed Mr. Vishal Dedhia Director of the Applicant Company and failing him Ms. Namrata Malu Director of the Applicant Company, shall be the Chairman for the aforesaid meeting of Equity Shareholders including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (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.

Sd/-

Vishal Dedhia

DIN 00728370

Chairman appointed for the meeting

Dated this 10th day of June, 2019

Registered office:

Suite # 712, Prasad Chambers, Opera House, Mumbai 400 004

Notes:

1. Only registered equity shareholders of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Applicant Company) or in the case of a body corporate or Registered Foreign Portfolio Investors ("RFPI") or Foreign Institutional Investors ("FII"), by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Applicant Company. The authorised representative of a body corporate/RFPI/FII which is a registered equity shareholder of the Applicant Company may attend and vote at the meeting of the equity shareholders of the Applicant Company provided a copy of the resolution of the board of directors or other governing body of the body corporate/RFPI/FII authorising such representative to attend and vote at the meeting of the equity shareholders of the Applicant Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate/RFPI/FII, is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Applicant Company.
2. As per Section 105 of the Companies Act, 2013 and the rules made there under, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.
3. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.
4. All alterations made in the form of proxy should be initialed.
5. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity

shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.

6. NCLT by its Order has directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at Suite # 712, Prasad Chambers, Opera House, Mumbai 400 004 on Friday, the 19th day of July, 2019 at 11.00 a.m. (1100 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.
7. In compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders, which includes the Public Shareholders (*as defined below*), to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Applicant Company to the Scheme shall be carried out through (i) postal ballot or e-voting and (ii) ballot or polling paper at the venue of the meeting to be held on 19th day of July, 2019.
8. The quorum of the meeting of the equity shareholders of the Applicant Company shall be as prescribed under Section 103 of the companies Act, 2013 i.e. 30(Thirty) equity shareholders of the Applicant Company, present in person.
9. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
10. The registered equity shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.
11. The registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Applicant Company/ list of beneficial owners as received from Central Depository

Services (India) Limited ("**CDSL**") and National Securities Depository Limited ("**NSDL**")/ in respect of such joint holding, will be entitled to vote.

12. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant 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.
13. Equity shareholders (which includes Public Shareholders) holding equity shares as on 7th day of June, 2019, being the cutoff date, will be entitled to exercise their right to vote on the above resolution.
14. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders either by registered post or by courier or by speed post or by hand delivery or electronically by e-mail to those equity shareholders who have registered their e-mail ids with the Applicant Company/registrar and share transfer agents CDSL / NSDL, whose names appear in the register of members/list of beneficial owners as received from CDSL / NSDL as on 7th day of June, 2019. The Notice will be displayed on the website of the Applicant Company www.smcl.in and on the website of Central Depository Services (India) Limited ("**CDSL**") www.evotingindia.com.
15. A person, whose name is not recorded in the register of members or in the register of beneficial owners maintained by CDSL / NSDL as on the cutoff date i.e. 7th day of June, 2019 shall not be entitled to avail the facility of e-voting or voting through postal ballot or voting at the meeting to be held on 19th day of July, 2019. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of equity shareholders (which include Public Shareholders) as on Friday, the 7th day of June, 2019. Persons, who are not equity shareholders of the Applicant Company as on the cut-off date i.e. 7th day of June, 2019 should treat this notice for information purposes only.
16. The voting by the equity shareholders (including the Public Shareholders) through the postal ballot or e-voting shall commence at 9.00 a.m. on 19th day of June, 2019 and shall close at 5:00 p.m. on 18th day of July, 2019.
17. The notice convening the meeting will be published through advertisement in (i) Free Press Journal (Mumbai edition) in the English language; and (ii) translation thereof in Navshakti (Mumbai edition) in Marathi language.
18. Circular No. *CFD/DIL3/CIR/2017/21 dated 10th March, 2017* ("**SEBI Circular**") issued by the Securities and Exchange Board of India ("**SEBI**"), inter alia, provides that approval of

Public Shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through postal ballot and e-voting. Since, the Applicant Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Applicant Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The aforesaid notice sent to the equity shareholders (which include Public Shareholders) of the Applicant Company would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term "**Public**" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "**Public Shareholders**" shall be construed accordingly. In terms of SEBI Circular the Applicant Company has provided the facility of voting by postal ballot and e-voting to its Public Shareholders.

NCLT, by its Order, has, inter alia, held that since the Applicant Company is directed to convene a meeting of its equity shareholders, which includes Public Shareholders, and the voting in respect of the equity shareholders, which includes Public Shareholders, is through postal ballot and e-voting, the same is in sufficient compliance of SEBI Circular.

19. In accordance with the provisions of Sections 230 – 232 read along with Sections 52, 66 and 48 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of the Applicant Company, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.
20. Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through postal ballot or e-voting) in favour of the aforesaid resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.
21. The Applicant Company has engaged the services of Central Depository Services (India) Limited ("**CDSL**") for facilitating-voting for the said meeting to be held on 19th day of July, 2019. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 34 below.
22. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Equity shareholders' voting in physical form is requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who

have received the postal ballot form by e-mail and who wish to vote through postal ballot form can download the postal ballot form from the Applicant Company's website www.smcl.in or seek duplicate postal ballot form from the Applicant Company.

23. Equity shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the scrutinizer so as to reach the scrutinizer before 5.00 p.m. on or before 18th day of July, 2019. Postal ballot form, if sent by courier or by registered post/speed post at the expense of an equity shareholder will also be accepted. Any postal ballot form received after the said date and time period shall be treated as if the reply from the equity shareholders has not been received.
24. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected by the scrutinizer.
25. The vote on postal ballot cannot be exercised through proxy.
26. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint equity shareholders.
27. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Applicant Company and/or furnished by the Depositories). In case, shares are jointly held, this form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney ("**POA**") on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the POA with the Applicant Company or enclosing a copy of the POA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the postal ballot form.
28. Ms. Payal Tachak, Proprietor M/s. Payal Tachak & Associates (Membership No. 38016) Company Secretaries in practice has been appointed as the scrutinizer to conduct the postal ballot and e-voting process and voting at the venue of the meeting in a fair and transparent manner.
29. The scrutinizer will submit her combined report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders, which includes Public Shareholders, of the Applicant Company through (i) e-voting process, (ii) postal ballot and (iii) ballot or polling paper at the venue of the meeting. The scrutinizer

will also submit a separate report with regard to the result of the postal ballot and e-voting in respect of Public shareholders. The scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of votes cast through (i) e-voting process, (ii) postal ballot and (iii) ballot or polling paper at the venue of the meeting including the separate results of the postal ballot and e-voting exercised by the Public Shareholders will be announced on or before 20th day of July, 2019 at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company, www.smcl.in and on the website of Central Depository Services (India) Limited ("CDSL") www.evotingindia.com besides being communicated to BSE Limited and Calcutta Stock Exchange Limited.

30. The equity shareholders of the Applicant Company (which includes Public Shareholders) can opt only one mode for voting i.e. by postal ballot or e-voting or voting at the venue of the meeting. If an equity shareholder has opted for e-voting, then he/ she should not vote by postal ballot form also and vice versa. However, in case equity shareholder(s) (which includes Public Shareholder(s)) cast their vote both via postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
31. The equity shareholders of the Applicant Company attending the meeting who have not cast their vote either through postal ballot or e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through postal ballot or e-voting may also attend the meeting but shall not be entitled to cast their vote again.
32. The voting through postal ballot and e-voting period will commence at 9.00 a.m. (0900 hours) on Wednesday, the 19th day of June, 2019 and will end at 5.00 p.m. (1700 hours) on Thursday, the 18th day of July, 2019. During this period, the equity shareholders (which includes Public Shareholders) of the Applicant Company holding shares either in physical form or in dematerialized form, as on the cutoff date, i.e. 7th day of June, 2019 may cast their vote electronically or by postal ballot. The e-voting module shall be disabled by CDSL for voting on 18th day of July, 2019 at 5.00 p.m. (1700 hours). Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently.
33. Any queries/grievances in relation to the voting by postal ballot or e-voting may be addressed to Mr. Vishal Dedhia, Whole Time Director and CFO of the Applicant Company at Suite # 712, Prasad Chambers, Opera House, Mumbai 400 004 or through email to shreemanufacturing@hotmail.com. Mr. Vishal Dedhia, Whole Time Director and

CFO of the Applicant Company can also be contacted at +91 22 - 66631999. Any query/grievance related to the e-voting may be addressed to the Registrar and Share Transfer Agents, Central Depository Services (India) Limited ("CDSL") Unit - Shree Manufacturing Company Limited-www.evotingindia.com.

34. **Voting through Electronic Means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide E-voting facility to the Equity shareholders (which include public shareholders) to cast their votes electronically on the resolution mentioned in the Notice convening the meeting of the equity shareholders (which includes Public shareholders) of the company (NCLT convened Meeting). The facility of casting the votes by the members using an electronic voting system from a place other than venue of the NCLT convened Meeting ("remote e-voting") will be provided by Central Depository Services (India) Limited ("CDSL").
- II. The facility for voting through ballot paper shall be made available at the NCLT convened Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the NCLT Convened Meeting may also attend the NCLT Convened Meeting but shall not be entitled to cast their vote again.
- IV. **The process and manner for remote e-voting are as under:**
 - a. The voting period begins on 19th day of June, 2019 (9:00 am) and ends on 18th day of July, 2019 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 7th day of June, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - b. The shareholders should log on to the e-voting website www.evotingindia.com.
 - c. Click on Shareholders / Members
 - d. Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- g. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach

'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the EVSN for the relevant Company name i.e. **Shree Manufacturing Company Limited** on which you choose to vote.
- l. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- m. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- n. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- p. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- q. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- r. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store**

and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

s. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- t. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- Member can cast their vote online from 9:00 A.M. on 19th day of June, 2019 to 5:00 P.M. on 18th day of July, 2019.
 - The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut- off date, being 7th day of June, 2019
 - The Board of Directors have appointed Ms. Payal Tachak, Company Secretary in practice as a Scrutinizer to scrutinize the e- voting process in a fair and transparent manner
 - The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting unblock the votes in the presence of at least two (2)

witnesses, not in employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.

- The results on resolutions shall be declared on or after the Meeting of the Company and the resolution will be deemed to be passed on the NCLT convened Meeting date subject to receipt of the requisite number of votes in favor of the Resolution (s)
- The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company, www.smcl.in and Service provider's Website (www.evotingindia.com) within 2 days of the passing of the resolutions at the NCLT convened Meeting of the Company and communicated to the Stock Exchanges

Encl.: As above

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
BENCH, AT MUMBAI
COMPANY APPLICATION (C.A.A) NO. 823 (MAH) of 2019

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to 232 read with Sections, 55, 66, 48 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

AND

In the matter of Shree Manufacturing Company Limited, a company incorporated under the provisions of the Companies Act, 1956

AND

In the matter of Scheme of Arrangement between Shree Manufacturing Company Limited and their respective Shareholders

Shree Manufacturing Company Limited,)

a company incorporated under the)

Companies Act, 1956, having its)

registered office at Suite # 712, Prasad)

Chambers, Opera House, Mumbai 400 004)

Email id :-shreemanufacturing@hotmail.com).. the Applicant Company

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the order dated 28th day of May, 2019, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench at Mumbai (the "NCLT"), in Company Application (C.A.A) No. 823 (MAH) of 2019 ("**Order**"), a meeting of the equity shareholders of Shree Manufacturing Company Limited (hereinafter referred to as the "**Applicant Company**" or "**SMCL**" as the context may admit) is being convened at Suite # 712, Prasad Chambers, Opera House, Mumbai – 400 004 on Friday, the 19th day of July, 2019 at 11.00 a.m. (1100 hours), for the purpose of considering, and if thought fit, approving, with or without

modification(s), the Scheme of Arrangement between Shree Manufacturing Company Limited (hereinafter referred to as the "**Applicant Company**" or "**SMCL**" as the context may admit) and its respective shareholders under Sections 230 – 232 read along with Section 52, 66 and 48 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**"). A copy of the Scheme, which has been, inter alia, approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 26th day of September, 2018, is enclosed as **Annexure 1**. Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.

2. In terms of the said Order, the quorum for the aforesaid meeting of the Equity Shareholders of the Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013 which shall be 30 (thirty) equity shareholders present in person. Further in terms of the said Order, NCLT, has appointed Mr. Vishal Dedhia Director of the Applicant Company and failing him Ms. Namrata Malu Director of the Applicant Company, as the Chairman of the meeting of the Applicant Company including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "**Rules**").
4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at Suite # 712, Prasad Chambers, Opera House, Mumbai - 400 004 on Friday, the 19th day of July, 2019 at 11.00 a.m. (1100 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.

In addition, the Applicant Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot and e-voting. Circular No. CFD/DIL3/CIR/2017 /21 dated 10th day of March, 2017 ("**SEBI Circular**") issued by the Securities and Exchange Board of India ("**SEBI**"), inter alia, provides that approval of Public Shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through postal ballot e-voting. Since, the Applicant Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Applicant

Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The notice sent to the equity shareholders (which include Public Shareholders) of the Applicant Company would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term "**Public**" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "**Public Shareholders**" shall be construed accordingly.

NCLT, by its Order, has, inter alia, held that since the Applicant Company is directed to convene a meeting of its equity shareholders, which includes Public Shareholders, and the voting in respect of the equity shareholders, which includes Public Shareholders, is through postal ballot and e-voting, the same is in sufficient compliance of SEBI Circular.

The scrutinizer appointed for conducting the postal ballot and e-voting process will however submit her separate report to the Chairman of the Applicant Company after completion of the scrutiny of the postal ballot including e-voting submitted/cast by the Public Shareholders so as to announce the results of the postal ballot and e-voting exercised by the Public Shareholders of the Applicant Company. In terms of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through postal ballot or e-voting) in favour of the resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.

5. In accordance with the provisions of Sections 230 – 232 read along with Section 52,66 and 48 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the equity shareholders, of the Applicant Company, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.
6. In terms of the Order dated 28th day of May, 2019, passed by the NCLT, in Company Application (C.A.A.) No. 823 (MAH) of 2019, if the entries in the books /register /depository records of the Applicant Company in relation to the number or value, as the case may be, of the equity shares are disputed, the Chairman of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting and his decision in that behalf would be final.

Particulars of Shree Manufacturing Company Limited (SMCL)

7. The Applicant Company (SMCL) was incorporated as a Public Limited Company under the Companies Act, 1956, on 30th November, 1976 in the name of Shree Manufacturing Company Limited in the West Bengal. The company has obtained a

certificate for commencement of business dated 21st July, 1977 from the Office of Registrar of Companies, West Bengal Calcutta. The CIN of the Company was 30796 of 1976. There has been no change in the name of Shree Manufacturing Company Limited since incorporation. The CIN of the company (SMCL) after shifting of the Registered Office from the State of West Bengal to the State of Maharashtra is L36999MH1976PLC286340. The Permanent Account Number of SMCL is AADCS5577Q. The shares of SMCL are listed on BSE Limited (BSE) and Calcutta Stock Exchange Limited (CSE).

8. The Registered Office of SMCL is at present situated at Suite # 712, Prasad chambers, Opera house, Mumbai 400 004..

The Equity Shareholders have subject to the approval of the Hon'ble Regional Director (Eastern Region) and other relevant authorities passed a Special Resolution on 29th October, 2015 for Shifting of its Registered Office from the State of West Bengal to the State of Maharashtra.

The Hon'ble Regional Director (Eastern Region) West Bengal vide his order dated 26th July, 2016 has sanctioned a Petition for shifting of the Registered Office of the company from the State of West Bengal to the State of Maharashtra.

Accordingly the company, upon registration of the said order, obtained a fresh certificate of incorporation dated 28th September, 2016 from the Registrar of Companies, Mumbai, Maharashtra.

There has been change in the registered office address of SMCL in the last five (5) years as mentioned above. The e-mail address of SMCL is shreemanufacturing@hotmail.com

9. The objects for which SMCL has been established are set out in its Memorandum of Association. The main objects of SMCL are as follows:
 - To acquire all the assets and liabilities of Indian Copper Corporation Ltd (in Members' Voluntary Liquidation) and accordingly to enter into and carry into effect, with or without modification, an agreement with the Liquidators thereof in the terms of the draft approved by a General Meeting of the Contributories of Indian Copper Corporation Ltd. (in Members Voluntary Liquidation) held at Calcutta on 10th September, 1976 and which has for the purpose of identification been signed by the first named subscriber to the Memorandum of Association of the company.

- To carry on business as manufacturers, producers, dealers, purchasers, sellers, processors, importers, exporters, stockiest, agents, brokers, traders and retailers of all kind of paper and boards and articles made from paper and pulp (mechanical or wood) and materials used in manufacture or treatment of paper including writing, printing, wrapping and tissue, newsprint, paper for packing including corrugated and craft paper, synthetic paper, paper board, Mills boards, paste Boards, pulp Boards and all kinds of pulp whether mechanical or chemical including dissolving pulp.
- To carry on the business of spinners, weavers, manufacturers balers and press of jute, jute cuttings, jute rejections, flex, hemp and any other fibrous materials and the cultivation thereof and the business of buyers and sellers of and dealers in jute, jute cuttings, jute rejections and any other fibrous materials and to transact all manufacturing, curing and preparing processes and mercantile business that may be necessary or expedient and to purchase and vend the raw materials and manufactured articles.
- To carry on the business of spinners, weavers and manufactures of all cotton, wool, silk, flax, hemp, rayon, nylon and other fibrous materials and manmade fibres and to transact all manufacturing, curing preparing, dyeing, colouring and bleaching processes and to purchase and vend the raw materials and manufactured articles.
- To carry on all or any of the following business namely cotton spinners and doublers, linen manufacturers, wool merchants, wool combers, worsted spinners, woollen spinners, yarn merchants, rayon worsted stuff manufacturers, bleachers and dyers and makers of vitriol, bleaching and dyeing materials and to purchase, comb, prepare, spin, dye and deal in wool, cotton, soil and other fibrous substances and to weave or otherwise manufacture buy and sell and deal in linen cloth and other goods and fabrics, whether textiles, felted, netted or looped and to supply power.

There has been no change in the object clause of SMCL in the last 5 years.

10. The SMCL / Applicant Company was originally incorporated with the object of acquiring all the assets and liabilities of Indian Copper Corporation Limited. The Company was engaged as manufacturers, producers, dealers, purchasers, sellers, processors, importers, exporters, traders and retailers of all kinds of papers, boards and articles made from paper and materials used in manufacture of paper. The Company had also carried on the business of spinners, weavers, manufacturers, balers and press of jute, jute cuttings, jute rejections, flex, hemp and any other fibrous

materials. However there is no significant activities in the recent past and have not generated any revenue from its operations during the last year.

SMCL has no subsidiary Company as on date.

11. The Authorized, Issued, Subscribed and Paid Up Share Capital of SMCL / Applicant Company as per the latest Audited Balance Sheet as at 31st March, 2019 is as under:-

Particulars	Amount (Rs.)
Authorized Share Capital	
70,00,000 Equity Shares of Rs. 10/ each	7,00,00,000
3,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	3,00,00,000
TOTAL	10,00,00,000
Issued, Subscribed and Fully Paid Up	
55,00,277 Equity Shares of Rs. 10/- each	5,50,02,770
2,87,000 12% Cumulative Redeemable Preference Shares of Rs. 100/- each	2,87,00,000
TOTAL	8,37,02,770

12. There is no change in the Authorized, Issued, Subscribed and Paid- Up Equity Share Capital of SMCL as on the date.

Description and Objective of the Scheme

13. The Scheme provides for, inter alia,
- I. Conversion of Preference shares into Equity shares
 - II. consequent issue of equity shares by SMCL to the Preference shareholders of the Company (SMCL)
 - III. listing of equity shares by SMCL
 - IV. Various other matters consequential to or otherwise integrally connected with the above.

The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 read with Section 52, 66 and 48 of the Companies Act, 2013.

14. The objectives / reasons for the Scheme of Arrangement for conversion of Preference Shares into Equity Shares is as under:

- The Board of directors at their meeting held on 15th September, 1999, after obtaining the consent from the Shareholders, issued and allotted 2,87,000 12% Cumulative Redeemable Preference shares of Rs. 100/- each aggregating to Rs. 2,87,00,000/- on conversion of term loan into Preference shares. The said preference shares were redeemable in three equal installments at the end of 5th, 6th and 7th year from the date of allotment i.e. redeemable in the year 2004-05, 2005-06 and 2006-07 respectively. The Board of Directors, after obtaining consent from the Preference Shareholders, at their meeting held on 24th December, 2005 have extended the time for redemption of Preference shares from 2006-07 to 2018-19.
- A summarized view of the financials of the Company as per Audited Balance Sheet as at 31st March, 2019 are as under:

Particulars	Amount(Rs.)
Paid Up Equity Share Capital	5,50,02,770
Paid Up Preference Share Capital	2,87,00,000
Other Reserves	67,53,739
Profit & Loss Account (Debit Balance)	(10,46,54,395)
Net Worth	(1,41,97,886)
No. of Outstanding Equity Shares	55,00,277
Book Value Per Equity Share	(7.80)
Paid Up Preference Share Capital	2,87,00,000

Due to financial constraints the company could not able to redeem these Preference shares on due dates and is still outstanding in the books of the Company.

As per the Provisions of Section 55 of the Companies Act, 2013 (corresponding to the provisions of Section 80 of the Companies Act, 1956), the preference shares shall be either

redeemed out of the profits of the company which would be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption.

Further the preference shares are liable to be redeemed within a period not exceeding twenty (20) years from the date of their issue.

As per the terms of these Preference shares, the last date for redemption is 14th September, 2019.

The arrears of dividend on cumulative preference shares is Rs. 673.07 lakhs as on 31st March, 2019.

As per the last audited Balance Sheet as at 31st March, 2019, the Company has accumulated losses of Rs. 10,46,54,395/-.

Due to heavy losses incurred by the Company during last few years, the capital of the company has been eroded and the net worth has become negative and the company is not in a position to raise the funds by way of issue of fresh shares for redemption of preference shares.

The promoter of the Company planned strategy to revive the Company with the financial help of Business associates.

The Board of Directors of the Company proposes to convert Preference shares into Equity shares in accordance with Sections 230-232 read with Sections 55, 66, 48 and other applicable provisions, if any, of the Companies Act, 2013.

The objectives of the financial restructuring are as under:

- a. Continuous losses have wiped off the value represented by the Capital, reserves and surplus and the financial statements accordingly do not reflect the correct picture of the health of the Company.
- b. Further, conversion of the preference share capital into Equity Share Capital is carried out for creating a stable capital structure for future.
- c. Since conversion of Preference shares into equity shares has become inevitable for the growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise.

- d. The Company proposes to convert the existing preference shares into Equity shares as the Company wants to keep the working capital and cash flow liquidity of the Company intact.
- e. The Company has not paid the Accumulated dividend on the Preference Shares since issue of Preference shares. The cumulative outstanding amount of accumulated dividend on preference shares as on 31st March, 2018 was Rs. 638.63 lakhs. All the Preference Shareholders have given their consent for conversion of their shares into Equity shares and forgo the accrued dividend. The Accumulated Preference Share dividend including interest, penalties accrued on default of the payment of dividend, accrued, shall be forgone by the Preference Shareholders.
- f. The Company is having issued and paid up Preference Share Capital of Rs. 2,87,00,000/-. As per the consent received from the Preference Shareholders, the Company proposes to convert aforesaid Preference Share Capital into Equity Share Capital. The Preference Shareholders will also forgo the dividend accumulated and due of Rs. 638.63 lakhs as on 31st March, 2018. The Conversion shall result in avoiding redemption and hence keeping the Working Capital Intact. As the company is facing liquidity crunch and right now it is not in a position to redeem the amount of the preference shareholders, it is therefore decided to convert the preference shares into equity shares otherwise the liability on the company in terms of payment of dividend to them will continue to accrue.
- g. The conversion of Preference capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
- h. The restructuring / conversion of Preference shares into Equity shares will also not cause any prejudice to the creditors of the Company. For the sake of clarity, it is specified that the conversion in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The Creditors of the Company are in no way affected by the proposed restructuring by way of the conversion of capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.

- i. There is no cash outflow from the Company.
- j. Hence, the proposed conversion will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.

Major Developments / Actions post announcement of the Scheme

- 15. There are no major developments / actions have taken place since announcement of the scheme.

Corporate Approvals

- 16. The proposed Scheme was placed before the Audit Committee of Shree Manufacturing Company Limited (SMCL) at its meeting held on 26th day of September, 2018. The Audit Committee of SMCL took into account the Valuation Report, dated 26th day of September, 2018, issued by M/s. S. A. G. S & Associates, Chartered Accountants, (**valuation report**) and the fairness opinion, dated 26th day of September, 2018, provided by Corporate Capital Ventures Private Limited, a Category I Merchant Banker, (**"Fairness Opinion"**) appointed for this purpose by SMCL. A copy of the Valuation Report is enclosed as **Annexure 2**. The Valuation Report is also open for inspection. A copy of the Fairness Opinion is enclosed as **Annexure 3**. The Audit Committee of SMCL based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of SMCL.
- 17. The Scheme along with the Valuation Report was placed before the Board of Directors of Shree Manufacturing Company Limited (SMCL), at its meeting held on 26th day of September, 2018. The Fairness Opinion and the report of the Audit Committee were also submitted to the Board of Directors of SMCL. Based on the aforesaid, the Board of Directors of SMCL approved the Scheme. The meeting of the Board of Directors of SMCL, held on 26th day of September, 2018, was attended by three (3) directors (namely, Mr. Vishal Dedhia, Ms. Namrata Malu and Mr. Dinesh Bainwal in person). Mr. Vishal Dedhia being part of Promoter Group, abstained from voting on the resolution in respect of the Scheme. None of the directors of SMCL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of SMCL who attended and voted at the meeting.

Approvals and actions taken in relation to the Scheme

18. BSE has been appointed as the designated stock exchange by SMCL for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. SMCL has received observation letter regarding the Scheme from BSE dated 30th day of January, 2019. In terms of the observation letter of BSE dated 30th day of January, 2019, inter alia, conveyed their no adverse observations/no objection for filing the Scheme with the Hon'ble National Company Law Tribunal with a note that the observations of the SEBI shall be incorporated in the Petition to be filed before National company Law Tribunal (NCLT) and the Company is obliged to bring the observations to the notice of NCLT. Copy of the observation letter, dated 30th day of January, 2019 received from BSE is enclosed as **Annexure 4**.
19. As required by the SEBI Circular, SMCL had filed the complaints report with BSE on 16th day of November, 2018. This report indicates that SMCL received nil complaints. A copy of the complaints report submitted by SMCL to BSE dated 16th day of November, 2018 is enclosed as **Annexure 5**.
20. The Company or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
21. The application along with the annexure thereto (which includes the Scheme) was filed by the Company with the NCLT, on 22nd day of February, 2019.
22. This notice convening Meeting of the Equity Shareholders of the Applicant Company along with aforesaid documents are placed on the website of the Company viz. www.smcl.in and being sent to Securities and Exchange Board of India and BSE Limited and Calcutta Stock Exchange Limited (CSE) for placing on their website.

Salient extracts of the Scheme

23. The salient extracts of the Scheme are as Under:

DEFINITIONS

- (i) The Appointed Date as per the Scheme is 1st April, 2018.
- (ii) This Scheme of Arrangement is between the Company and its shareholders, wherein.

- a) the Company shall convert 2,87,000 12 % Cumulative Redeemable Preference Share Capital of Rs. 100/- (Rupees Hundred) each amounting to Rs. 2,87,00,000/- (Rupees Two Crores Eighty Seven Lakhs) into 28,00,000 Equity Shares of Rs. 10/- (Rupees Ten) each.
- b) the accumulated amount of preference dividend aggregating to Rs. 638.63 lakhs payable as on 31st March, 2018 and any further amount including interest, penalties accrued on default of the payment of dividend accrued, payable to the preference shareholders as dividend till the effective date of the scheme shall stand waived and cancelled.

(iii) RECLASSIFICATION OF THE AUTHORISED SHARE CAPITAL OF THE COMPANY AND CONSEQUENT ALTERATIONS IN THE MEMORANDUM OF ASSOCIATION

The Cumulative Redeemable Preference Shares of Rs. 100/- each in the Authorized Share Capital of the Company be re-classified and re-organized as Equity Shares, the effect of this reclassification shall come into effect after conversion of the preference shares into the equity shares and the reclassification mentioned herein shall become null and void if preference shares does not get converted in to equity shares.

Further the Company shall not be required to pass any resolution pursuant to the provisions of Section 13 and 61 and other applicable provisions, if any, of the Companies Act, 2013 or any amendment or re-enactment thereof, for reclassification and re-organization of the existing Cumulative Redeemable Preference Shares of the face value of Rs. 100/- (Rupees Hundred) each in the Authorized Share Capital of the Company and further be re-classified and re-organized into 10 Equity shares of the face value of Rs. 10/- (Rupees Ten) each. Further, it shall be deemed that the members of the Company have accorded their consent as required under the Act.

In consequence of the reclassification of the Authorized Share Capital, as mentioned above, following new clause V shall be inserted in the Memorandum of Association of the Company in place and stead of the existing clause V.

The Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) comprising of 1,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten) each, with the rights, privileges and conditions attached thereof as per the relevant provision of the Company and with power to increase or reduce the Capital of the Company and divide the shares in the Capital for the time being into several classes (being those specified in the Companies Act, 2013), and to attach thereto respectively such preferential, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of Association of the Company for the time being in force, and to vary, modify enlarge or abrogate any such rights, privileges or conditions

in such manner as may be permitted by the said Act or provided by the Articles of Association of the Company for the time being in force.

(iv) The details of Pre and post conversion of Capital are as under:

Particulars	Pre conversion of Capital	Post conversion of Capital
Number of Equity Shares	55,00,277	83,00,277
No of Preference Shares	2,87,000	Nil
Value per Equity Share (Rs.)	10/-	10/-
Value per Preference Share (Rs.)	100/-	Nil
Total Paid Up Capital (Rs.)	8,37,02,770/-	8,30,02,770/-

(v) The Pre and Post conversion of capital structure of the Company is as under:

Particulars	Pre Conversion (Rs.)	Particulars	Post Conversion (Rs.)
Authorised			
70,00,000 Equity shares of Rs. 10/- each	7,00,00,000	1,00,00,000 Equity shares of Rs. 10/- each	10,00,00,000
3,00,000 Preference shares of Rs. 100/- each	3,00,00,000	-	-
Total	10,00,00,000		10,00,00,000
Issued, Subscribed and Paid up Capital			
55,00,277 Equity Shares of Rs. 10/- each	5,50,02,770	83,00,277 Equity shares of Rs. 10/- each	8,30,02,770
2,87,000 Preference shares of Rs. 100/- each	2,87,00,000	-	-
Total	8,37,02,770		8,30,02,770

(vi) The pre and post shareholding pattern of the Company, upon the approval of Scheme shall be in the following manner:

Category of Equity Shareholders	Pre Conversion as on 31/12/2018 Face value of Rs. 10/- each	Post conversion (expected) Face value of Rs .10/- each
--	--	--

Promoter and Promoter Group	34,12,597	62.04	62,12,597	74.85
Public:				
Financial Institutions / Banks	4,32,276	7.86	4,32,276	5.21
Bodies Corporate	46,631	0.85	46,631	0.56
Non Resident Indians(NRIs)	1,014	0.02	1,014	0.01
Individuals / HUF	16,07,759	29.23	16,07,759	19.37
Custodian	0	0	0	0
Total	55,00,277	100	83,00,277	100

- (vii) There will be no generation of fraction shares and hence treatment of fractional shares is not given.
- (viii) The Scheme set out herein in its present form or with such modification(s) as may be approved by the Tribunal or made pursuant to Clause 12 (Modifications/ Amendments to the Scheme) of the Scheme, shall become effective from the Appointed Date, but shall be operative from the Effective Date.

(ix) **ACCOUNTING TREATMENT**

The Company shall comply with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.

(x) **ISSUANCE OF SHARES:**

- On the effective date, upon conversion of Preference Shares into Equity Shares, 28,00,000 Equity shares of Rs. 10/- at a price of Rs. 10.25 per share shall be allotted to the Preference Shareholders in lieu of their holding of 2,87,000 Preference Shares of Rs. 100/- each aggregating to Rs. 2,87,00,000/-
- The equity shares allotted in pursuance to such conversion shall rank *paripassu* with the existing Equity shares of the company.
- Pursuant to and upon this Scheme becoming effective, the company shall take necessary steps to increase and alter its authorized share capital suitably to enable the Company to issue and allot the Equity Shares in the Company to the Preference shareholders in terms of this Scheme and as an

integral part of this Scheme, the share capital of the Company shall be reclassified in the manner set out in Clause 5 (iii) of the Scheme.

- d) Equity Shares of the Company issued in terms of clause 7.1 of the Scheme shall pursuant to the circular dated 10th March, 2017 bearing No. CFD/DIL3/CIR/2017/21 issued by Securities and Exchange Board of India (SEBI) and in accordance with compliance with requisite formalities under applicable laws, be listed and / or admitted to trading on BSE Limited, the relevant stock exchange(s) where the existing equity shares of the Company are listed and / or admitted to trading in accordance with the compliance with requisite formalities under applicable laws and the company shall enter into such agreement / arrangement and give confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchange (BSE Limited)
- e) The equity shares of the Company allotted pursuant to the scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
- f) Till the listing of the equity shares of the Company, there will be no change in the pre-arrangement Preference Share capital structure and shareholding pattern or controls in the Company which may affect status of the approval of the stock exchanges to this scheme.
- g) Approval of the Scheme by the shareholders of Shree Manufacturing Company Limited shall be deemed to be due compliance of the provisions of sections 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made there under for the issue and allotment of the Equity shares by Shree Manufacturing Company Limited to the Preference shareholders of Shree Manufacturing Company Limited as provided hereinabove.
- h) The Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the Preference Shareholders of Shree Manufacturing Company Limited under the Scheme.
- i) Unless otherwise determined by the Board of Directors or any committee thereof of the Company, allotment of Equity Shares in terms of clause 7.1 of the Scheme shall be done within 4 months from the effective date and the Company shall issue new share certificate after giving effect to all the provisions of the present

scheme. The existing issued share certificates in physical form in respect of Preference Shares shall stand automatically cancelled upon conversion of Preference shares.

- j) It is clarified that the Conversion of Preference shares into Equity Shares will not change the management control of the company and such conversion shall be pursuant to and is an integral part of this Scheme. Such conversion being pursuant to a scheme and being exempt under Regulation 10 of SEBI (substantial Acquisition of shares and Takeover) Regulations, 2011 (SEBI Takeover Code) shall not trigger the open offer requirements in Shree Manufacturing Company Limited under Regulation 3 or Regulation 4 of SEBI Takeover code, 2011 and the Acquirer shall not trigger the open offer.

(xi) CONDUCT OF BUSINESS

- a) Nothing contained in the Scheme shall affect the conduct of business of the Company and for any deeds, bonds, contracts, agreements and any other instruments to which the Company is a party and/or all legal or other proceedings by or against the Company.
- b) Further, nothing contained in the Scheme shall affect the existing rights of the secured creditors, unsecured creditors, workers and employees of the Company.
- (xii) In term of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company, being a listed Company, will file application with the stock exchanges for obtaining No-Objection / Observation Letter for conversion of share capital.
- (xiii) The Company needs to obtain Shareholders Approval by way of a Special Resolution, as per the provisions of Section 230 to 232 read with Sections 55, 66, 48 and other applicable provisions, if any of the Companies Act, 2013 and the same will be complied with once the company gets observation letter from BSE Limited under Regulation 37 of the SEBI (LODR), Regulations, 2015.

(xiv) APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL

The Company shall, make and file all applications and petitions to the Tribunal for sanctioning this Scheme under Sections 230 to 232 read with Sections 55, 66, 48 and other applicable provisions, if any, of the Companies Act, 2013 for carrying this Scheme of Arrangement into effect and shall apply for such approvals as may be required under Applicable Law(s).

(xv) MODIFICATION OR AMENDMENTS TO THE SCHEME

- 12.1 The Company through their Board of Directors may consent on behalf of all persons concerned to any modifications 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.
- 12.2 However no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the National Company Law Tribunal (NCLT).
- 12.3 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.
- 12.4 The Company shall take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

(xvi) CONDITIONALITY OF THE SCHEME:

This Scheme is conditional upon and subject to the following:

- a) The requisite consent, approval or permission of the Appropriate Authorities or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- b) The Scheme being approved by the respective requisite majorities of the members and creditors of the Company as may be directed by the NCLT and/or any other competent authority and it being sanctioned by the NCLT and / or any other competent authority, as may be applicable.
- c) As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, therefore it is provided in the Scheme that the Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution.

- d) As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.
- e) All other sanctions and approvals as may be required by law including registration of the order of the Tribunal sanctioning the Scheme of Arrangement or any other Appropriate Authority, by the Registrar of Companies, under the Act in respect of this Scheme being sanctioned.
- f) Certified copies of the orders of the NCLT or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies.
- g) On the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:
 - i. Reclassification of the Authorized Share Capital of the Company (in accordance with clause no. 5(iii) of the Scheme).
 - ii. Issue of Equity shares to the Preference shareholders of the company.

(xvii) BINDING EFFECT:

Upon the Scheme becoming, effective the same shall be binding on the Company, shareholders, creditors and all concerned parties without any further act, deed manner or thing.

(xviii) EFFECT OF NON-RECEIPT OF APPROVALS:

In case the Scheme is not sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench or such other Competent Authority or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void.

The Board of Directors may withdraw the Scheme at any time should they consider appropriate to do so.

(xix) SEVERABILITY

If any part of this Scheme hereof is invalid, ruled illegal by any appropriate authority of competent jurisdiction or unenforceable under present or future laws, then it is the

intention of the Board that 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 become materially adverse, in which case the Board shall attempt to bring a suitable modification in the Scheme. The Board of Directors of the Company shall be entitled to revoke, cancel and declare the Scheme of no effect, if the Board of Directors is of view that the coming into effect of the Scheme could have adverse implications on the Company.

(xx) CANCELLATION OF SHARES

Upon this Scheme becoming finally effective, the Preference shareholders, if so required by the Company shall surrender their share certificates for cancellation thereof. Notwithstanding anything to the contrary, upon the issue of the new share certificates in the company to the shareholders whose names shall appear in the Register of Members of the company on such Record Date fixed as aforesaid, the old Preference share certificates held by them in the company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date. The company may instead of requiring the surrender of the old share certificates as above, directly issue and dispatch the new share certificates in physical form or credit the shares to the beneficiaries Depository Accounts of the shareholders.

(xxi) COSTS, CHARGES & EXPENSES:

Upon the sanction of this Scheme by the Hon'ble National company Law Tribunal, all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the conversion of Capital shall be borne by the 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.

Other matters

24. Summary of the Valuation Report including the basis of valuation is enclosed as **Annexure 6**.
25. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificate issued by the Statutory Auditor of the Company is open for inspection.

26. Under the Scheme, an arrangement is sought to be entered into between SMCL and its equity shareholders (Promoter shareholders and non- Promoter shareholders). Upon the effectiveness of the Scheme, SMCL shall allot equity shares, based on the share entitlement ratio and in the manner stipulated in clause 7 of the Scheme, to the Preference shareholders of SMCL.

As far as the Equity shareholders of SMCL are concerned, the Promoters shareholding will increase and the shareholding of the Non Promoter will reduce.

In respect of the Scheme, there is no arrangement with the creditors, either secured or unsecured of SMCL. No compromise is offered under the Scheme to any of the creditors of SMCL. The liability of the creditors of SMCL, under the Scheme, is neither being reduced nor being extinguished.

As on date, SMCL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, SMCL has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under the Scheme, no rights of the Employees of SMCL are being affected. The services of the Employees of SMCL, under the Scheme, shall continue on the same terms and conditions on which they were engaged by SMCL. In the circumstances, the rights of the Employees of SMCL would in no way be affected by the Scheme.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of SMCL. Further no change in the Board of Directors of the company is envisaged on account of the Scheme.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed there under) of SMCL and their respective relatives (as defined under the Act and rules framed there under) have any interest in the Scheme except to the extent of the equity shares held by them in SMCL and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the company that hold shares in the Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The shareholding of the Company Secretary and Chief financial Officer of the Company and their respective relatives is less than 2% of the paid-up share capital of the Company.

27. The Scheme does not involve any debt restructuring and therefore the requirement to disclose details of debt restructuring is not applicable.

However the Scheme involves capital restructuring. This Scheme of Arrangement is presented under Sections 230 to 232 read with Sections 55, 66, 48 and other applicable provisions, if any, of the Companies Act, 2013 for undertaking financial restructuring and reconstruction of Shree Manufacturing Company Limited ("The Company" or "SMCL") whereby SMCL would convert Preference Shares into Equity Shares as detailed in the Scheme of Arrangement. The objective of the Scheme / financial restructuring has been given elsewhere in the Scheme / explanatory statement.

28. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of SMCL have in their meeting held on 26th day of September, 2018 adopted a report, inter alia, explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders amongst others. Copy of the Report adopted by the Board of Directors of SMCL is enclosed as **Annexure 7**.
29. No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Company.
30. To the knowledge of the Company, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.
31. The copy of the proposed Scheme has been filed by the Company before the concerned Registrar of Companies on 14th day of June, 2019.
32. The Supplementary audited Accounting Statement of SMCL for the year ended 31st March, 2019 is enclosed as **Annexure 8**.
33. As per the books of accounts (as on 31st March, 2019) of SMCL the amount due to the secured creditors is Rs. Nil. As per the books of accounts (as on 31st March 2018) of SMCL, the amount due to the secured creditors is Rs. Nil.

34. As per the books of accounts (as on 31st March, 2019) of SMCL, the amount due to the unsecured creditors is Rs. 1.50 crores. As per the books of accounts (as on 31st March 2018) of SMCL, the amount due to the unsecured creditors is Rs. 1.23 Crores.
35. The name and addresses of the Promoters of Shree Manufacturing Company Limited including their Equity shareholding in the Company as on 7th day of June, 2019 are as under:

Sr. No.	Name and address of Promoters and Promoter Group	SMCL	
		No. of Equity Shares of Rs. 10/- each	%
1	Edge Consultancy Services LLP 251/5 Ground Floor, Tanibai Niwas Wadala Station Road, Wadala (West) Mumbai- 400031	34,12,597	62.04

36. The name and addresses of the Promoters of Shree Manufacturing Company Limited including their Preference shareholding in the Company as on 7th day of June, 2019 are as under:

Sr. No.	Name and address of Promoters and Promoter Group	SMCL	
		No. of Preference Shares of Rs. 100/- each	%
1	Edge Consultancy Services LLP 251/5 Ground Floor, Tanibai Niwas Wadala Station Road, Wadala (West) Mumbai- 400031	2,87,000	100

37. The details of the Directors of SMCL as on 7th day of June, 2019 are as follows :

Sr. no.	Name of Director	Address	DIN
1	Vishal Dedhia	Plot No. 20/4, Agrawal Bhavan, Flat No. 10 R. A. Kidwai Road, Wadala, Mumbai 400031	00728370
2	Namrata Malu	N-3/17 Jai Avadhuri, Bangur Nagar Goregaon - West Mumbai 400090	03583659
3	Hetal Dave	B/502, Kailash Tower, Yashwant Viva Township, Near Dmart, Nalasopara (E), Vasai, Palghar 401 209	08397075

4	Samir Kumar Sampat	Room No. 11,12 New Rajanigandha CHS, Achole Road, Bharat Pendhari Nagar, Nallasopara (E), Palghar 40209	08116619
---	--------------------	---	----------

38. The details of the shareholding of the Directors and the Key Managerial Personnel of SMCL as on 7th day of June, 2019 are as follows:

Name of Director and KMP	Position	Equity Shares held in SMCL
Vishal Dedhia	Whole Time Director	NIL
Namrata Malu	Independent Director	NIL
Hetal Dave	Independent Director	NIL
Samir Kumar Sampat	Independent Director	NIL
Vishal Dedhia	Chief Financial Officer	NIL

39. The Pre-Arrangement Equity shareholding pattern of SMCL as on 7th day of June, 2019 and the Pre and Post- Arrangement (expected) shareholding pattern of SMCL are as under:

Pre-Arrangement Equity shareholding pattern of SMCL as on 7th day of June, 2019:

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided family	34,12,597	62.04
(b)	Body Corporate	0	0
	Sub-Total (A)(1)	34,12,597	62.04
(2)	Foreign		
(a)	Body Corporate (through GDRs)	0	0
	Sub-Total (A)(2)	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	34,12,597	62.04
(B)	Public Shareholding		
(1)	Institutions	0	0
(a)	Mutual Funds	0	0
(b)	Foreign Portfolio Investors	0	0

(c)	Financial Institutions/ Banks	4,32,276	7.86
(d)	Insurance Companies	0	0
(e)	Foreign Institutional Investors (FII's)	0	0
	Sub Total (B) (1)	4,32,276	7.86
(2)	Central Government/ State Government(s)/ President of India	0	0
	Sub Total (B)(2)	0	0
(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	6,58,221	11.97
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	9,45,939	17.20
(b)	NBFCs Registered with RBI	0	0
(c)	Overseas Depositories (Holding GDRs)	0	0
(d)	Any Other		
	Trusts	27	0
	Overseas Corporate Bodies	0	0
	Non Resident Indians Repatriation	1,014	0.02
	Clearing Members	0	0
	HUF	3,573	0.06
	Bodies Corporate	46,630	0.85
	Foreign Nationals	0	0
	Sub Total (B)(3)	16,55,404	30.10
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)	20,87,680	37.96
	Total Shareholding (A+B)	55,00,277	100

Post Arrangement (expected) Equity shareholding pattern of SMCL as on 7th day of June, 2019:

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided family	62,12,597	74.85
(b)	Body Corporate	0	0
	Sub-Total (A)(1)	62,12,597	74.85

(2)	Foreign		
(a)	Body Corporate (through GDRs)	0	0
	Sub-Total (A)(2)	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	62,12,597	74.85
(B)	Public Shareholding		
(1)	Institutions	0	0
(a)	Mutual Funds	0	0
(b)	Foreign Portfolio Investors	0	0
(c)	Financial Institutions/ Banks	4,32,276	5.21
(d)	Insurance Companies	0	0
(e)	Foreign Institutional Investors (FIIs)	0	0
	Sub Total (B) (1)	4,32,276	5.21
(2)	Central Government/State Government(s)/ President of India	0	0
	Sub Total (B)(2)	0	0
(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	6,58,221	7.93
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	9,45,939	11.40
(b)	NBFCs Registered with RBI	0	0
(c)	Overseas Depositories (Holding GDRs)	0	0
(d)	Any Other		
	Trusts	27	0
	Overseas Corporate Bodies	0	0
	Non Resident Indians Repatriation	1,014	0.01
	Clearing Members	0	0
	HUF	3,573	0.04
	Bodies Corporate	46,630	0.56
	Foreign Nationals	0	0
	Sub Total (B)(3)	16,55,404	19.94
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)	20,87,680	25.15
	Total Shareholding (A+B)	83,00,277	100

40. Pre Arrangement Preference shareholding pattern of SMCL as on 7th day of June, 2019:

Sr. No.	Category	No. of fully paid up Preference shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided family	2,87,000	100
(b)	Body Corporate	0	0
	Sub-Total (A)(1)	2,87,000	100
(2)	Foreign		
(a)	Body Corporate (through GDRs)	0	0
	Sub-Total (A)(2)	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	2,87,000	100
(B)	Public Shareholding		
(1)	Institutions	0	0
(a)	Mutual Funds	0	0
(b)	Foreign Portfolio Investors	0	0
(c)	Financial Institutions/ Banks	0	0
(d)	Insurance Companies	0	0
(e)	Foreign Institutional Investors (FIIs)	0	0
	Sub Total (B) (1)	0	0
(2)	Central Government/State Government(s)/ President of India	0	0
	Sub Total (B)(2)	0	0
(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs	0	0
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	0
(b)	NBFCs Registered with RBI	0	0
(c)	Overseas Depositories (Holding GDRs)	0	0
(d)	Any Other	0	0
	Overseas Corporate Bodies	0	0
	Non Resident Indians (Repatriation)	0	0

	Clearing Members	0	0
	Non-Résidents Indians (Non-Répatiation)	0	0
	Bodies Corporate	0	0
	Non Residents Indians	0	0
	Sub Total (B)(3)	0	0
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)	0	0
	Total Shareholding (A+B)	2,87,000	100

41. Post Arrangement (expected) Preference Shareholding pattern of SMCL as on 7th day of June, 2019

Sr. No.	Category	No. of fully paid up Preference shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided family	0	0
(b)	Body Corporate	0	0
	Sub-Total (A)(1)	0	0
(2)	Foreign		
(a)	Body Corporate (through GDRs)	0	0
	Sub-Total (A)(2)	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	0	0
(B)	Public Shareholding		
(1)	Institutions	0	0
(a)	Mutual Funds	0	0
(b)	Foreign Portfolio Investors	0	0
(c)	Financial Institutions/ Banks	0	0
(d)	Insurance Companies	0	0
(e)	Foreign Institutional Investors (FII's)	0	0
	Sub Total (B) (1)	0	0
(2)	Central Government/State Government(s)/ President of India	0	0
	Sub Total (B)(2)	0	0

(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital upto Rs.2 lakhs	0	0
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	0
(b)	NBFCs Registered with RBI	0	0
(c)	Overseas Depositories (Holding GDRs)	0	0
(d)	Any Other	0	0
	Overseas Corporate Bodies	0	0
	Non Resident Indians (Repatriation)	0	0
	Clearing Members	0	0
	Non - Residents Indians (Non-Repatriation)	0	0
	Bodies Corporate	0	0
	Non Residents Indians	0	0
	Sub Total (B)(3)	0	0
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)	0	0
	Total Shareholding (A+B)	0	0

Note: -The Preference Shares i.e. 2,87,000 of Rs. 100/- each held by Edge Consultancy Services LLP in Shree Manufacturing Company Limited shall get converted into 28,00,000 Equity shares of Rs. 10/- each once the Scheme of Arrangement is sanctioned by the Hon'ble National Company Law Tribunal (NCLT) and the NCLT Order is made effective.

42. The pre arrangement capital structure of SMCL will be as follows (assuming the continuing capital Structure as on 7th day of June, 2019):

PRE ARRANGEMENT

Particulars	Amount (Rs.)
<u>AUTHORISED SHARE CAPITAL:</u>	
70,00,000 Equity Shares of Rs. 10/ each	7,00,00,000
3,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	3,00,00,000
TOTAL	10,00,00,000

<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL:</u>	
55,00,277 Equity Shares of Rs. 10/- each	5,50,02,770
2,87,000 12% Cumulative Redeemable Preference Shares of Rs. 100/- each	2,87,00,000
TOTAL	8,37,02,770

POST ARRANGEMENT (EXPECTED)

Particulars	Amount (Rs.)
<u>AUTHORISED SHARE CAPITAL:</u>	
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000
TOTAL	10,00,00,000
<u>ISSUED, SUBSCRIBED AND PAID UP CAPITAL:</u>	
83,00,277 Equity Shares of Rs.10/- each	8,30,02,770
TOTAL	8,30,02,770

43. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
44. The following documents will be open for inspection by the equity shareholders of the Applicant Company at its registered office at Suite # 712, Prasad Chambers, Opera House, Mumbai 400 004 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:
- Copy of the final order passed by NCLT in Company Application (C.A.A) No. 823(MAH) of 2019 dated 28th day of May, 2019 directing SMCL to, inter alia, convene the meeting of its equity shareholders.
 - Copy of Company Application(C.A.A) No. 823 (MAH) of 2019 along with annexures filed by SMCL before NCLT;
 - Copy of the Memorandum and Articles of Association of SMCL;
 - Copy of the annual reports of SMCL for the financial years ended 31st March 2016 and 31st March 2017 and 31st March, 2018;
 - Copy of the audited Balance sheet of SMCL, for the year ended 31st March, 2019 ;
 - Copy of the Register of Directors' shareholding of the Company;
 - Copy of Valuation report dated 26th day of September, 2018 submitted by M/s. S. A. G .S. & Associates Chartered Accountants

- (viii) Copy of the Fairness Opinion, dated 26th day of September, 2018 issued by Corporate Capital Ventures Private Limited, to the Board of Directors of SMCL
- (ix) Copy of the Audit Committee Report, dated 26th day of September, 2018 of SMCL
- (x) Copy of the resolution, dated 26th day of September, 2018, passed by the Board of Directors of SMCL approving the Scheme;
- (xi) Copy of the extracts of the minutes of the meetings, held on 26th day of September 2018, of the Board of Directors of SMCL in respect of the approval of the Scheme;
- (xii) Copy of the Statutory Auditors' certificate on Accounting Treatment dated 26th day of September, 2018 issued by M/s. DPSY & Associates Chartered Accountants to SMCL
- (xiii) Copy of the complaints report, dated 16th day of November, 2018 submitted by SMCL to BSE;
- (xiv) Copy of the no adverse observation / objection letter issued by BSE dated 30th day of January, 2019 to SMCL
- (xv) Summary of the Valuation Report including the basis of valuation;
- (xvi) Copy of Form No. GNL-1 filed by the Company with the concerned Registrar of Companies along with challan dated 14th day of June, 2019, evidencing filing of the Scheme;
- (xvii) Copy of the certificate, dated 27th day of May, 2019, issued by DPSY & Associates Chartered Accountants, certifying the amount due to the unsecured creditors of SMCL as on 31st March, 2019 respectively
- (xviii) Copy of the certificate, dated 27th day of May, 2019, issued by DPSY & Associates Chartered Accountants, certifying the amount due to the secured creditors of SMCL as on 31st March, 2018.
- (xix) Copy of the Scheme; and
- (xx) Copy of the Reports dated 26th day of September, 2018 adopted by the Board of Directors of SMCL, pursuant to the provisions of section 232(2)(c) of the Act.

The shareholders shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (iv), (xii) and (xix) above.

45. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by Shree Manufacturing Company Limited (SMCL) to its shareholders, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the shareholders of SMCL.
46. After the Scheme is approved, by the equity shareholders of SMCL, it will be subject to the approval/sanction by NCLT.

Sd/-

Vishal Dedhia

DIN 00728370

Chairman appointed for the meeting

Dated this 10th day of June, 2019

Registered office:

Suite # 712, Prasad Chambers, Opera House,
Mumbai 400 004

SCHEME OF ARRANGEMENT
BETWEEN
SHREE MANUFACTURING COMPANY LIMITED
AND
SHAREHOLDERS OF SHREE MANUFACTURING COMPANY LIMITED

This Scheme of Arrangement is presented under Sections 230 to 232 read with Sections 55, 66, 48 and other applicable provisions, if any, of the Companies Act, 2013 for undertaking financial restructuring and reconstruction of Shree Manufacturing Company Limited ("The Company" or "SMCL") whereby SMCL would convert Preference Shares into Equity Shares as detailed in the Scheme of Arrangement as under.

Part I - PREAMBLE

1. Background:

Shree Manufacturing Company Limited (SMCL) was incorporated on November 30, 1976 and commenced its business on July 21, 1977. Shree Manufacturing Company Limited was originally incorporated with the object of acquiring all the assets and liabilities of Indian Copper Corporation Limited. The Company was engaged as manufacturers, producers, dealers, purchasers, sellers, processors, importers, exporters, traders and retailers of all kinds of papers, boards and articles made from paper and materials used in manufacture of paper. The Company had also carried on the business of spinners, weavers, manufacturers, balers and press of jute, jute cuttings, jute rejections, flex, hemp and any other fibrous materials. However there is no significant activities in the recent past and have not generated any revenue from its operations during the last year.

Part II-DEFINITIONS AND SHARE CAPITAL

2. DEFINITIONS

Unless repugnant to the context or meaning thereof, in this Scheme:

- a. **"Accumulated Losses"** means and includes the total amount shown under the head "Profit and Loss Account" as appearing in the audited balance sheet of the Company as at 31st March, 2018;

- b. "**Act**" means the Companies Act, 2013, shall include any statutory modification, re-enactments or amendments, if any, thereto;
- c. "**Appointed Date**" means 1st April, 2018 or such other date as may be fixed or approved by the Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai.
- d. "**Board**" means the Board of Directors of Shree Manufacturing Company Limited or any Committee thereof duly constituted or appointed by the Board for this purpose.
- e. "**BSE**" means BSE Limited having nationwide trading terminal where the shares of the company are listed.
- f. "**CSE**" means the Calcutta Stock Exchange Limited.
- g. "**Effective Date**" means the date on which the authenticated copy or the certified copy of the Order, whichever is earlier issued by the Hon'ble National Company Law Tribunal Mumbai Bench, Mumbai, is filed with the Registrar of Companies, Maharashtra, Mumbai.
- h. "**Financial Statements**" would include standalone quarterly/annual accounts of the Company (including balance sheet, cash flow statements, and profit and loss account) and other financials published along with annual accounts, and quarterly/ public reported financial statements of the Company.
- g. "**NCLT**" means the Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai having jurisdiction in respect of the Company.
- h. "**Para**" means paragraph of this Scheme
- i. "**Record Date**" (for conversion of capital) means the date(s) to be decided by the Board of Directors or a committee for the purpose of reckoning the name of the Preference Shareholders who shall be entitled to new shares upon giving effect to the order of the Hon'ble National Company Law Tribunal sanctioning the Scheme.
- j. "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this Scheme of Arrangement in its present form filed with the National Company Law Tribunal, Mumbai Bench, Mumbai or any other authority with any modifications approved or imposed or directed by the Hon'ble National Company Law Tribunal, Mumbai Bench, Mumbai or modifications made under Clause - 12 of this Scheme.
- k. Shares shall mean:-

- I. **"Equity Shares"** shall mean Issued, Subscribed and Paid up Equity Share Capital of the Company as on the effective date.
- II. **"Preference Shares"** shall mean Issued, Subscribed and Paid up 12% Cumulative Redeemable Preference Shares of the Company as on the effective date.
- l. **"Shareholders"** and/or **"Members"** of the Company include both equity Shareholders and Preference Shareholders of the company.
- m. **"SMCL"** or "the Company" means Shree Manufacturing Company Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at Suite- 712, Prasad Chambers, Opera House, Mumbai-400 004.
- n. **"SEBI"** means the Securities and Exchange Board of India.

All terms and words not defined in the scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, SEBI(ICDR) Regulations, 2009, SEBI (LODR) Regulations, 2015 and other applicable laws, rules, regulations, bye laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.

3. SHARE CAPITAL

The Share Capital of the Company as at 31st March, 2018 is as under:

Particulars	Amount (Rs.)
Authorized Share Capital	
70,00,000 Equity Shares of Rs. 10/ each	7,00,00,000
3,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	3,00,00,000
TOTAL	10,00,00,000
Issued, Subscribed and Fully Paid Up	
55,00,277 Equity Shares of Rs. 10/- each	5,50,02,770
2,87,000 12% Cumulative Redeemable Preference Shares of Rs. 100/- each	2,87,00,000
TOTAL	8,37,02,770

There is no change in the share capital of the company since 31st March, 2018

PART III - OBJECTIVE OF THE SCHEME

4. The Board of directors at their meeting held on 15th September, 1999, after obtaining the consent from the Shareholders, issued and allotted 2,87,000 12% Cumulative Redeemable Preference shares of Rs. 100/- each aggregating to Rs. 2,87,00,000/- on conversion of term loan into Preference shares. The said preference shares were redeemable in three equal installments at the end of 5th, 6th and 7th year from the date of allotment i.e. redeemable in the year 2004-05, 2005-06 and 2006-07 respectively. The Board of Directors, after obtaining consent from the Preference Shareholders, at their meeting held on 24th December, 2005 have extended the time for redemption of Preference shares from 2006-07 to 2018-19.

A summarized view of the financials of the Company as per Audited Balance Sheet as at 31st March, 2018 are as under:

Particulars	Amount(Rs.)
Paid Up Equity Share Capital	5,50,02,770
Paid Up Preference Share Capital	2,87,00,000
Other Reserves	67,53,739
Profit & Loss Account (Debit Balance)	(10,24,27,459)
Net Worth	(1,19,70,950)
No. of Outstanding Equity Shares	55,00,277
Book Value Per Equity Share	(2.18)
Paid Up Preference Share Capital	2,87,00,000

Due to financial constraints the company could not able to redeem these Preference shares on due dates and is still outstanding in the books of the Company.

As per the Provisions of Section 55 of the Companies Act, 2013 (corresponding to the provisions of Section 80 of the Companies Act, 1956), the preference shares shall be either redeemed out of the profits of the company which would be available for

dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption.

Further the preference shares are liable to be redeemed within a period not exceeding twenty (20) years from the date of their issue.

As per the terms of these Preference shares, the last date for redemption is 14th September, 2019.

The arrears of dividend on cumulative preference shares is Rs. 638.63 lakhs as on 31st March, 2018.

As per the last audited Balance Sheet as at 31st March, 2018, the Company has accumulated losses of Rs. 10,24,27,459/- .

Due to heavy losses incurred by the Company during last few years, the capital of the company has been eroded and the net worth has become negative and the company is not in a position to raise the funds by way of issue of fresh shares for redemption of preference shares.

The promoter of the Company planned strategy to revive the Company with the financial help of Business associates.

The Board of Directors of the Company proposes to convert Preference shares into Equity shares in accordance with Sections 230-232 read with Sections 55, 66, 48 and other applicable provisions, if any, of the Companies Act, 2013.

The objectives of the financial restructuring are as under:

- a. Continuous losses have wiped off the value represented by the Capital, reserves and surplus and the financial statements accordingly do not reflect the correct picture of the health of the Company.
- b. Further, conversion of the preference share capital into Equity Share Capital is carried out for creating a stable capital structure for future.
- c. Since conversion of Preference shares into equity shares has become inevitable for the growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise.

- d. The Company proposes to convert the existing preference shares into Equity shares as the Company wants to keep the working capital and cash flow liquidity of the Company intact.
- e. The Company has not paid the Accumulated dividend on the Preference Shares since issue of Preference shares. The cumulative outstanding amount of accumulated dividend on preference shares as on 31st March, 2018 was Rs. 638.63 lakhs. All the Preference Shareholders have given their consent for conversion of their shares into Equity shares and forgo the accrued dividend. The Accumulated Preference Share dividend including interest, penalties accrued on default of the payment of dividend, accrued, shall be forgone by the Preference Shareholders.
- f. The Company is having issued and paid up Preference Share Capital of Rs. 2,87,00,000/-. As per the consent received from the Preference Shareholders, the Company proposes to convert aforesaid Preference Share Capital into Equity Share Capital. The Preference Shareholders will also forgo the dividend accumulated and due of Rs. 638.63 lakhs as on 31st March, 2018. The Conversion shall result in avoiding redemption and hence keeping the Working Capital Intact. As the company is facing liquidity crunch and right now it is not in a position to redeem the amount of the preference shareholders, it is therefore decided to convert the preference shares into equity shares otherwise the liability on the company in terms of payment of dividend to them will continue to accrue.
- g. The conversion of Preference capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
- h. The restructuring / conversion of Preference shares into Equity shares will also not cause any prejudice to the creditors of the Company. For the sake of clarity, it is specified that the conversion in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The Creditors of the Company are in no way affected by the proposed restructuring by way of the conversion of capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the

ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.

- i. There is no cash outflow from the Company.
- j. Hence, the proposed conversion will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.

PART IV- APPLICABILITY OF THE SCHEME

5. This Scheme of Arrangement is between the Company and its shareholders, wherein

- (i) the Company shall convert 2,87,000 12 % Cumulative Redeemable Preference Share Capital of Rs. 100/-(Rupees Hundred) each amounting to Rs. 2,87,00,000/-(Rupees Two Crores Eighty Seven Lakhs) into 28,00,000 Equity Shares of Rs. 10/-(Rupees Ten) each.
- (ii) the accumulated amount of preference dividend aggregating to Rs. 638.63 lakhs payable as on 31st March, 2018 and any further amount including interest, penalties accrued on default of the payment of dividend accrued, payable to the preference shareholders as dividend till the effective date of the scheme shall stand waived and cancelled.
- (iii) RECLASSIFICATION OF THE AUTHORISED SHARE CAPITAL OF THE COMPANY AND CONSEQUENT ALTERATIONS IN THE MEMORANDUM OF ASSOCIATION

The Cumulative Redeemable Preference Shares of Rs. 100/- each in the Authorized Share Capital of the Company be re-classified and re-organized as Equity Shares, the effect of this reclassification shall come into effect after conversion of the preference shares into the equity shares and the reclassification mentioned herein shall become null and void if preference shares does not get converted in to equity shares.

Further the Company shall not be required to pass any resolution pursuant to the provisions of Section 13 and 61 and other applicable provisions, if any, of the Companies Act, 2013 or any amendment or re-enactment thereof, for reclassification and re-organization of the existing Cumulative Redeemable Preference Shares of the face value of Rs. 100/- (Rupees Hundred) each in the Authorized Share Capital of the

Company and further be re-classified and reorganized into 10 Equity shares of the face value of Rs. 10/- (Rupees Ten) each. Further, it shall be deemed that the members of the Company have accorded their consent as required under the Act.

In consequence of the reclassification of the Authorized Share Capital, as mentioned above, following new clause V shall be inserted in the Memorandum of Association of the Company in place and stead of the existing clause V

The Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) comprising of 1,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten) each, with the rights, privileges and conditions attached thereof as per the relevant provision of the Company and with power to increase or reduce the Capital of the Company and divide the shares in the Capital for the time being into several classes (being those specified in the Companies Act, 2013), and to attach thereto respectively such preferential, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of Association of the Company for the time being in force, and to vary, modify enlarge or abrogate any such rights, privileges or conditions in such manner as may be permitted by the said Act or provided by the Articles of Association of the Company for the time being in force.

(iv) The details of Pre and post conversion of Capital are as under.

Particulars	Pre conversion of Capital	Post conversion of Capital
Number of Equity Shares	55,00,277	83,00,277
No of Preference Shares	2,87,000	Nil
Value per Equity Share (Rs.)	10/-	10/-
Value per Preference Share(Rs.)	100/-	Nil
Total Paid Up Capital (Rs.)	8,37,02,770/-	8,30,02,770/-

(v) The Pre and Post conversion of capital structure of the Company is as under.

Particulars	Pre Conversion (Rs.)	Particulars	Post Conversion (Rs.)
Authorised			
70,00,000 Equity	7,00,00,000	1,00,00,000 Equity	10,00,00,000

shares of Rs.10/- each		shares of Rs.10/- each	
3,00,000 Preference shares of Rs.100/- each	3,00,00,000	-	-
Total	10,00,00,000		10,00,00,000
Issued, Subscribed and Paid up Capital			
55,00,277 Equity Shares of Rs.10/- each	5,50,02,770	83,02,277	8,30,02,770
2,87,000 Preference shares of Rs.100/- each	2,87,00,000		
Total	8,37,02,770		8,30,02,770

(vi) The pre and post shareholding pattern of the Company, upon the approval of Scheme shall be in the following manner:

Category of Equity Shareholders	Pre Conversion as on 30/09/2018 Face value of Rs.10/- each		Post conversion (expected) Face value of Rs.10/- each	
Promoter and Promoter Group	34,12,597	62.04	62,12,597	74.85
Public:				
Financial Institutions / Banks	4,32,276	7.86	4,32,276	5.21
Bodies Corporate	46,631	0.85	46,631	0.56
Non Resident Indians(NRIs)	1,014	0.02	1,014	0.01
Individuals / HUF	16,07,759	29.23	16,07,759	19.37
Custodian	0	0	0	0
Total	55,00,277	100	83,00,277	100

(vii) There will be no generation of fraction shares and hence treatment of fractional shares is not given.

- (viii) The Scheme set out herein in its present form or with such modification(s) as may be approved by the Tribunal or made pursuant to Clause 12 (*Modifications/ Amendments to the Scheme*) of the Scheme, shall become effective from the Appointed Date, but shall be operative from the Effective Date.

PART V -

6. ACCOUNTING TREATMENT

The Company shall comply with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.

7. ISSUANCE OF SHARES:

- 7.1 On the effective date, upon conversion of Preference Shares into Equity Shares, 28,00,000 Equity shares of Rs. 10/- at a price of Rs. 10.25/- per share shall be allotted to the Preference Shareholders in lieu of their holding of 2,87,000 Preference Shares of Rs. 100/- each aggregating to Rs. 2,87,00,000/-
- 7.2 The equity shares allotted in pursuance to such conversion shall rank paripassu with the existing Equity shares of the company.
- 7.3 Pursuant to and upon this Scheme becoming effective, the company shall take necessary steps to increase and alter its authorized share capital suitably to enable the Company to issue and allot the Equity Shares in the Company to the Preference shareholders in terms of this Scheme and as an integral part of this Scheme, the share capital of the Company shall be reclassified in the manner set out in Clause 5 (iii) above.
- 7.4 Equity Shares of the Company issued in terms of clause 7.1 above shall pursuant to the circular dated 10th March, 2017 bearing No. CFD/DIL3/CIR/2017/21 issued by Securities and Exchange Board of India (SEBI) and in accordance with compliance with requisite formalities under applicable laws, be listed and / or admitted to trading on BSE Limited, the relevant stock exchange(s) where the existing equity shares of the Company are listed and / or admitted to trading in accordance with the compliance with requisite formalities under applicable laws and the company shall enter into such agreement / arrangement and give confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchange (BSE Limited).

- 7.5 The equity shares of the Company allotted pursuant to the scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
- 7.6 Till the listing of the equity shares of the Company, there will be no change in the pre-arrangement Preference Share capital structure and shareholding pattern or controls in the Company which may affect status of the approval of the stock exchanges to this scheme.
- 7.7 Approval of the Scheme by the shareholders of Shree Manufacturing Company Limited shall be deemed to be due compliance of the provisions of sections 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made there under for the issue and allotment of the Equity shares by Shree Manufacturing Company Limited to the Preference shareholders of Shree Manufacturing Company Limited as provided hereinabove.
- 7.8 The Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of Equity Shares to the Preference Shareholders of Shree Manufacturing Company Limited under the Scheme.
- 7.9 Unless otherwise determined by the Board of Directors or any committee thereof of the Company, allotment of Equity Shares in terms of clause 7.1 of this part shall be done within 4 months from the effective date and the Company shall issue new share certificate after giving effect to all the provisions of the present scheme. The existing issued share certificates in physical form in respect of Preference Shares shall stand automatically cancelled upon conversion of Preference shares.
- 7.10 It is clarified that the Conversion of Preference shares into Equity Shares will not change the management control of the company and such conversion shall be pursuant to and is an integral part of this Scheme. Such conversion being pursuant to a scheme and being exempt under Regulation 10 of SEBI (substantial Acquisition of shares and Takeover) Regulations, 2011 (SEBI Takeover Code) shall not trigger the open offer requirements in Shree Manufacturing Company Limited under Regulation 3 or Regulation 4 of SEBI Takeover code, 2011 and the Acquirer shall not trigger the open offer.

8. CONDUCT OF BUSINESS

- 8.1 Nothing contained in the Scheme shall affect the conduct of business of the Company and for any deeds, bonds, contracts, agreements and any other instruments to which the Company is a party and/or all legal or other proceedings by or against the Company.
- 8.2 Further, nothing contained in the Scheme shall affect the existing rights of the secured creditors, unsecured creditors, workers and employees of the Company.

PART VI - GENERAL TERMS AND CONDITIONS

9. In term of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company, being a listed Company, will file application with the stock exchanges for obtaining No-Objection / Observation Letter for conversion of share capital.
10. The Company needs to obtain Shareholders Approval by way of a Special Resolution, as per the provisions of Section 230 to 232 read with Sections 55, 66, 48 and other applicable provisions, if any of the Companies Act, 2013 and the same will be complied with once the company gets observation letter from BSE Limited under Regulation 37 of the SEBI (LODR), Regulations, 2015.

11. APPLICATION TO THE NATIONAL COMPANY LAW TRIBUNAL

The Company shall, make and file all applications and petitions to the Tribunal for sanctioning this Scheme under Sections 230 to 232 read with Sections 55, 66, 48 and other applicable provisions, if any, of the Companies Act, 2013 for carrying this Scheme of Arrangement into effect and shall apply for such approvals as may be required under Applicable Law(s).

12. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 12.1 The Company through their Board of Directors may consent on behalf of all persons concerned to any modifications 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.

- 12.2 However no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the National Company Law Tribunal (NCLT).
- 12.3 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.
- 12.4 The Company shall take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

13. CONDITIONALITY OF THE SCHEME:

This Scheme is conditional upon and subject to the following:

- 13.1 The requisite consent, approval or permission of the Appropriate Authorities or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 13.2 The Scheme being approved by the respective requisite majorities of the members and creditors of the Company as may be directed by the NCLT and/or any other competent authority and it being sanctioned by the NCLT and / or any other competent authority, as may be applicable.
- 13.3 As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution.
- 13.4 As para (I) (A) (9) (a) of Annexure I of SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

- 13.5 All other sanctions and approvals as may be required by law including registration of the order of the Tribunal sanctioning the Scheme of Arrangement or any other Appropriate Authority, by the Registrar of Companies, under the Act in respect of this Scheme being sanctioned.
- 13.6 Certified copies of the orders of the NCLT or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies.
- 13.7 On the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:
- a) Reclassification of the Authorized Share Capital of the Company (in accordance with clause no. 5(iii) hereof).
 - b) Issue of Equity shares to the Preference shareholders of the company

14. BINDING EFFECT:

Upon the Scheme becoming, effective the same shall be binding on the Company, shareholders, creditors and all concerned parties without any further act, deed manner or thing.

15. EFFECT OF NON-RECEIPT OF APPROVALS:

In case the Scheme is not sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench or such other Competent Authority or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme not being obtained or complied or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void.

The Board of Directors may withdraw the Scheme at any time should they consider appropriate to do so.

16. SEVERABILITY

If any part of this Scheme hereof is invalid, ruled illegal by any appropriate authority of competent jurisdiction or unenforceable under present or future laws, then it is the intention of the Board that 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 become materially adverse, in which case the Board shall attempt to bring a suitable modification in the Scheme. The Board of Directors of the Company shall be entitled to revoke, cancel and declare the Scheme of no effect, if the Board of Directors is of view that the coming into effect of the Scheme could have adverse implications on the Company.

17. CANCELLATION OF SHARES

Upon this Scheme becoming finally effective, the Preference shareholders, if so required by the Company shall surrender their share certificates for cancellation thereof. Notwithstanding anything to the contrary, upon the issue of the new share certificates in the company to the shareholders whose names shall appear in the Register of Members of the company on such Record Date fixed as aforesaid, the old Preference share certificates held by them in the company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date. The company may instead of requiring the surrender of the old share certificates as above, directly issue and dispatch the new share certificates in physical form or credit the shares to the beneficiaries Depository Accounts of the shareholders.

18. COSTS, CHARGES & EXPENSES:

Upon the sanction of this Scheme by the Hon'ble National Company Law Tribunal, all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the conversion of Capital shall be borne by the Company.

COPY OF VALUATION REPORT

20

S A G S & ASSOCIATES
CHARTERED ACCOUNTANTS62 Selimpur Lane Dhakuria,
Kolkata - 700031

September 26, 2018

Strictly Privileged & Confidential

The Board of Directors
Shree Manufacturing Company Limited
Suite 712, Prasad Chambers
Opera House Mumbai City
Maharashtra - 400004

Dear Sir/Madam,

Re: Report on Valuation of Shree Manufacturing Company Limited ("SMCL") for the proposed Scheme of Arrangement between SMCL and its Shareholders.

This is with reference to the engagement letter and discussions held, wherein we, S A G S & Associates, (Chartered Accountant Firm) (referred to as "Valuer" or "we" or "us"), have been appointed to value the equity shares of Shree Manufacturing Company Limited ("SMCL") for the proposed scheme of Arrangement of SMCL with its Shareholders with effect from Appointed Date of April 1, 2018.

1. BRIEF BACK GROUND**1.1 Shree Manufacturing Company Limited ("SMCL")**

- 1.1.1 SMCL is a manufacturing company in the textile sector. The shares of SMCL is listed at BSE Limited ("BSE") and Kolkata Stock Exchange Limited (CSE)
- 1.1.2 The total issued & paid up capital of the Company as on 31st March, 2018 is Rs. 8,37,02,770/- comprising of 55,00,277 Equity Shares of Rs. 10/- each amounting to Rs. 5,50,02,770/- and 2,87,000, 12% Cumulative Redeemable Preference Shares of Rs. 100/- each amounting to Rs. 2,87,00,000/-. The Cumulative Redeemable Preference Shares are being entirely hold by the Promoters and equity shareholding pattern are as follows:

Sl. No	Category	No. of Shares	% Holding
a.	Promoter & Promoter Group	34,12,597	62.04%
b.	Public	20,87,680	37.96%
	Total	55,00,277	100.00%

- 1.1.3 The Management of SMCL represented that SMCL does not have any outstanding warrants/options, as at the date hereof.
- 1.1.4 Subsequent to March 31, 2018 there is no change in the issued, subscribed and paid-up capital of SCML.

2. SCOPE & PURPOSE

- 2.1 We are given to understand that the Board of Directors of the company proposed to undertake to issue fresh Equity Shares at premium against the face value of the existing preference share in view of substantial accumulated losses and inability to repay the preference shareholder.



- 2.2 In addition to the above, the proposed scheme will, inter- alia results in the following benefits.
- (i) The net worth of the company will not be affected by the proposed conversion of Preference Share to Equity Shares under this scheme.
 - (ii) The Equity Shareholders will be benefited as the Company will be able to conserve the resources which would otherwise have been utilized in payment of dividend and redemption of Preference Shares.
 - (iii) For Equity Shareholders, there will be no prior claims on account of Preference Shares at the time of distribution of Profits or repayment of capital.
- 2.3 As part of the proposed Scheme all the existing Preference Shares as on the Appointed Date Shall be converted into Equity shares at a price of ₹ 10.25/- per share (at premium). (Face Value Rs.10/- per share and Premium Rs.0.25/- per share)
- 2.4 For this purpose, as requested we have carried out valuation of shares of SMCL as on March 31,2018 in connection with the proposed scheme. This Valuation Report ("Valuation Report") may be placed before the audit committee to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Scheme.
- 2.5 This valuation Report is subjected to the exclusions, limitation & disclaimers detailed hereinafter. As such the valuation Report is to be read in totality, and not in parts, in conjunction with-the relevant documents referred to therein.

3. SOURCES OF INFORMATION

- 3.1 In connection with preparing this Valuation Report, we have received & relied upon the following sources of information from the Management of the Company.
- 3.1.1 Draft Scheme of Arrangement
 - 3.1.2 Audited annual accounts of SMCL for FY 2016-17 to FY 2017-18
 - 3.1.3 Shareholding pattern of SMCL as on March 31, 2108
 - 3.1.4 Published and Secondary source of data, whether or not made available by the company and such other analysis, reviews and inquires as we considered necessary.

4. SCOPE LIMITATIONS, ASSUMPTIONS, EXCLUSIONS AND DISCLAIMERS

- 4.1 This valuation report, its contents and the results are (i) specific to the purpose mentioned in this report, (ii) specific to the date of this valuation report and (iii) are based on the balance sheet of SMCL as at March 31, 2018. The management has represented that the business activities of SMCL have been carried out in the ordinary course even after March 31, 2018.
- 4.2 In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of information (both written & verbal) made available to us by the company and (ii) the accuracy of information that was publicly available, and formed substantial basis for this Valuation Report. We have not carried out a due diligence or audit of the company, nor have we independently investigated or otherwise verified the data provided by the company. In rendering this valuation report, we have not provided legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof. We do not express any opinion or offer any form of assurance that the explanations, financial



information or other information as prepared and provided by the company is accurate and complete. Also, with respect to explanations and information sought from the company, we have been given to understand by the company that they have not omitted any relevant and material factors and that, in case of any doubt, they have checked the relevance or materiality of any specific information with respect to the present exercise with us.

Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

- 4.3 Our conclusion is based on the assumptions and information given by/on behalf of the company. The respective Management of the company has indicated to us that they have understood that any omissions, inaccuracies or mis-statements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the company and their impact that the information provided was materially mis-stated/incorrect. 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.
- 4.4 During the course of work, we have relied upon the financial projections of SMCL provided to us by the Management. The assumptions underlying the projections have not been reviewed or independently verified by us and accordingly there can be no assurance that these assumptions are accurate. We must emphasize that realizations of the free cash flow forecast used in the analysis will be dependent on the continuing validity of the assumptions on which they are based. The assumptions used in their preparation, as we have been explained, are based on the management's present expectation of both the most likely set of future business events and circumstances and the management's course of action related to them. Our analysis, therefore will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since, the projections relate to the future, actual results may be different from the projected results because events and circumstances do not occur as expected, and differences may be material.
- 4.5 Valuation work, by its very nature, cannot be regarded as an exact science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, expert opinion may differ due to number of separate judgement decisions, which have to be made. There can therefore be no standard formula to establish an undisputable value, although certain formulae are helpful in assessing reasonableness. There is, therefore no indisputable single exchange ratio. While we have provided our recommendation of the Exchange Ratio based on the information available to us and within the scope and constraints of our engagement. others may have a different opinion as to Exchange Ratio. You acknowledge and agree that you have the final responsibility for the determination of the Exchange Ratio at which the proposed arrangement shall take place and factors other than this Valuation Report will need to be considered in determining the Exchange Ratio, these will include your own assessment of the proposed scheme and may include the input of other professional advisors.
- 4.6 This report and its contents is prepared for the company and to be used only for the specific engagement and regulatory reporting purposes and must not be copied, disclosed or circulated or referred to or quoted in any correspondence, registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or discussion with any person. The report is confidential to the company and it is given on the express undertaking that it will not be communicated, in whole or in part, to any third party without prior written consent of the valuer. Neither this report nor its contents may be used for any other purpose other than in connection with this proposed Scheme of Arrangement without prior written consent of the valuer.



- 4.7 Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and all opinions given are fair and reasonable, neither ourselves, nor any of our partners, officers or employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this report. We owe responsibility only to the board of directors of the company and nobody else. We are not liable to any third party in relation to the issue of this report. In no event we shall be liable for any loss, damage, cost or expense arising in any way from fraudulent acts, misrepresentations or wilful default on the part of the company, their management, directors, employees or agents.
- 4.8 A valuation of this nature is necessarily based on prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof, may affect this Valuation Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Valuation Report. However, we reserve the right to amend or replace the report at any time in the event of any material change in the facts presented to us.
- 4.9 The Valuation Report assumes that the company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration 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 audited balance sheet of the Company. Our conclusion of value assumes that the assets & liabilities of the Company, reflected in their respective latest balance sheets remain intact as of the date hereof.
- 4.10 This Valuation Report does not look into the business/commercial reasons behind the proposed Scheme nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Scheme as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 4.11 This Valuation Report is not a substitute for the third party's own due diligence/ appraisal / enquiries / independent advice that the third party should undertake for his purpose. In addition, this Valuation Report does not in any matter address the price at which equity shares will trade following approval of the Scheme and we express no opinion or recommendation as to how the shareholders or creditors of company should vote at their respective meeting(s) to be held in connection with the proposed Scheme.
- 4.12 The fee this engagement in not contingent upon the results of this report.

5. VALUTATION APPROACH

5.1 Approaches for Valuation

There are three generally accepted approaches to valuation:

- "Cost" Approach
- "Market" Approach
- "Income" Approach



a. Cost Method.

The "Cost" approach focuses on the net worth or net assets of a company. The Cost Approach to valuation includes two methods- Break Value ("BV") Method and Net Asset Value ("NAV") Method.

BV Method:

- ❖ Under the BV Method, the assets and liabilities are considered at their realizable/market including intangible assets & contingent liabilities, if any, which are not stated in the balance sheet. From the realizable value of the assets, the potential liabilities, which would have to be paid, would be deducted and resultant figure would be the BV of the company.
- ❖ This valuation approach is mainly used in case where the asset base dominates earnings capability or in case where the valuing entity is Holding company deriving significant value from its Assets & Investments.

NAV Method:

- ❖ Under this method, total value of the business is based on sum of the Net Assets Value as recorded in the balance sheet.
- ❖ NAV methodology is most applicable for the business where the value lies in the underlying assets and not the ongoing operations of the business.
- ❖ Since the net worth the Company is negative. Therefore, the net assets value of the Company is also negative. (Working Annexed as Annexure "A")

b. Income Approach

The "Income" approach focuses on the profit/earnings potential of the business being valued. The Income Approach to valuation includes two methods- Profit Earning Capacity Value ("PECV") Method and Discounted Cash Flow("DCF") Method. The "Income" approach focuses on the income generated by the company as well as its future earning capability.

PECV Method:

- ❖ The PECV method focuses on the past income generated by the company as well as the future earning capability of the business enterprise. The PECV method requires the determination parameters, which are relevant to the company whose shares are being valued. These are (i) the "future maintainable profits", (ii) the 'appropriate income tax rate' and (iii) the 'expected rate of return'. The value is determined by capitalizing the future maintainable profits (net of tax) by the expected rate of return.



DCF Method:

- ❖ The DCF Method seeks to arrive at a value of a business based on the strength of its future cash flows. This method also captures the risk involved with these cash flows.
- ❖ Under this method, the business is valued by discounting its free cash flows for an explicit forecast period and the perpetuity value thereafter. The free cash flows to the firm ("FCFF") represent the cash available for the distribution to both the owners and the creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by Weighted Average Cost of Capital, ("WACC"). WACC is an

appropriate rate of discount to calculate the present value of the future free cash flows as it considers debt-equity risk and also debt-equity ratio of the company/industry.

- ❖ To the present value of the cash flows so arrived, adjustments are made for the value of debt, surplus/non-operating assets including investments, surplus cash & bank balance and contingent assets/liabilities and other liabilities, if any, in order to arrive at the value for the equity shareholders. The total value for the equity shareholders so arrived has to be then divided by the number of equity shares in order to work out the value per equity share of the company.
- ❖ We have not considered DCF method for the present valuation as SMCL does not have business operation. We also understand that reliable forecasts cannot be prepared for SMCL as well.

c. Market Approach

Market Price Method:

Under this method, the market price of an equity shares as quoted on a recognized Stock Exchange is normally considered as the value of the equity shares of that company, where such quotations are arising from the shares being regularly and frequently traded. The market value generally reflects the investors perception about the true worth of the company.

Since the shares of SMCL are traded on BSE Limited. We have considered this method for valuation of SMCL. We note that the equity shares are infrequently traded.

For determining the prices of shares of SMCL, we have considered SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, which prescribes using Market prices being higher of the following:

- (a) The average of the weekly high and low of the volume weighted average price (VWAP) of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or
- (b) The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

However, there has been no trading in the shares of the company for the last twenty six week preceding the relevant date of September 26, 2018. (Working annexed as Annexure "B")

The shares are infrequently traded on BSE Limited. Pursuant to Regulation 76A of SEBI (ICDR) Regulations, 2009 as amended the Issuer has to considered the valuation parameters including book value, comparable trading multiples and such other parameters as for valuation of shares of such companies.

Comparable Companies Multiple ("Coco Multiple") Method:

- ❖ Under Coco Multiple Method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifested through stock market valuations of listed companies.



- ❖ This valuation is based on the principle that market valuation, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Method:

With regard to the multiples applied in an earning-based valuation, they are generally based on data from the recent transactions in a comparable sector, but with appropriate adjustment after due consideration has been given to the specific characteristics of the business being valued.

5.2 VALUATION METHODOLOGIES APPLIED

- 5.2.1 The application of any particular method of valuation depends on the purpose for which the valuation is done. In arriving at the value of the equity shares of SMCL, from amongst the generally accepted valuation methodologies, we have applied methodologies most relevant, applicable and appropriate to the circumstances.
- 5.2.2 For valuation of SMCL we have primarily relied on the Cost Approach-NAV method.
- 5.2.3 Income Approach has not been considered on account of absence of any projected financial information for a sufficient period. Market Approach has not been considered since the shares or the company is not frequently traded in the stock exchange.

6. VALUATION OF SMCL

- 6.1 It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the company. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Company and other factors which generally influence the valuation of company and their assets.
- 6.2 In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgement considering all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. Vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176ITR417 as under:

"if the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors such as prospective yield, marketability the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not on exact science. Mathematical certainly is not demanded nor indeed is it possible."



- 6.3 Further, we have been informed by the Management and based on the draft Scheme of Arrangement provided to us. We understand that SMCL is issuing a fresh Equity Shares as against the existing Preference Shares.
- 6.4 Pursuant to SEBI circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, the issuance of shares under Schemes in case of allotment of shares only to a select group of shareholders pursuant to the Scheme shall follow the pricing of provisions of chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The pricing is to be determined as per SEBI(ICDR) Regulations, 2009.
- 6.5 Considering all the relevant factors and circumstances as discussed and outlined above, we believe that the value of ₹ 287,00,000 as at March 31,2018 on a going concern basis for the Preference Shares of SMCL on a fully diluted basis is fair.
- 6.6 The Net Asset value of the Company is negative and the market value is also not workable as there has been no trading in the shares of the company for the past twenty six weeks. As the shares cannot be issued at the discount. The management of the Company proposes to issue shares at ₹ 10.25/- per Equity share i.e.in the ratio of 1 new Equity share against 1.025 Preference share
- 6.7 Hence propose to issue shares at price of Rs.10.25/- per Equity share.
- 6.8 The Consideration for the Arrangement of SMCL would be discharged as under:
- 28,00,000 Equity shares of ₹10/- each at a price of ₹10.25/- per shares shall be issued and allotted for 2,87,000 Preference shares of ₹100/- each aggregating to Rs.2,87,0,000/-

Thanking You,

Yours faithfully,


Saktimoy Gupta
Membership Number: 050456
For and on behalf of
S A G S & Associates
FRN 312027E

For SAGS & ASSOCIATES
Chartered Accountants

SAKTI MOY GUPTA
PARTNER
M. No.-050456; FRN-312027E

Date: September 26, 2018
Place: Kolkata

Annexure – “A”

Calculation of Equity Net Asset value

Particulars	Amount (₹)
Equity Share Capital	5,50,02,770
Reserve and Surplus	(9,56,73,720)
Net Worth	(4,06,70,950)
No. of Equity Shares	55,00,277
Net Assets Value (₹)	(7.39)



Annexure – “B”

Calculation of Market Price method

Part I: Average of weekly high & low of the volume weighted average price (VWAP) of the equity shares of Shree Manufacturing Company Limited during the last twenty six weeks preceding the relevant date

Weeks	From	To	High	Low	Average
1	28-03-2018	03-04-2018	Not traded	Not traded	Not traded
2	04-04-2018	10-04-2018	Not traded	Not traded	Not traded
3	11-04-2018	17-04-2018	Not traded	Not traded	Not traded
4	18-04-2018	24-04-2018	Not traded	Not traded	Not traded
5	25-04-2018	01-05-2018	Not traded	Not traded	Not traded
6	02-05-2018	08-05-2018	Not traded	Not traded	Not traded
7	09-05-2018	15-05-2018	Not traded	Not traded	Not traded
8	16-05-2018	22-05-2018	Not traded	Not traded	Not traded
9	23-05-2018	29-05-2018	Not traded	Not traded	Not traded
10	30-05-2018	05-06-2018	Not traded	Not traded	Not traded
11	06-06-2018	12-06-2018	Not traded	Not traded	Not traded
12	13-06-2018	19-06-2018	Not traded	Not traded	Not traded
13	20-06-2018	26-06-2018	Not traded	Not traded	Not traded
14	27-06-2018	03-07-2018	Not traded	Not traded	Not traded
15	04-07-2018	10-07-2018	Not traded	Not traded	Not traded
16	11-07-2018	17-07-2018	Not traded	Not traded	Not traded
17	18-07-2018	24-07-2018	Not traded	Not traded	Not traded
18	25-07-2018	31-07-2018	Not traded	Not traded	Not traded
19	01-08-2018	07-08-2018	Not traded	Not traded	Not traded
20	08-08-2018	14-08-2018	Not traded	Not traded	Not traded



21	15-08-2018	21-08-2018	Not traded	Not traded	Not traded
22	22-08-2018	28-08-2018	Not traded	Not traded	Not traded
23	29-08-2018	04-09-2018	Not traded	Not traded	Not traded
24	05-09-2018	11-09-2018	Not traded	Not traded	Not traded
25	12-09-2018	18-09-2018	Not traded	Not traded	Not traded
26	19-09-2018	25-09-2018	Not traded	Not traded	Not traded
			Average Price		Not traded

Part II: Average of weekly high & low of the volume weighted average price (VWAP) of the equity shares of Shree Manufacturing Company Limited during the last two weeks preceding the relevant date

Weeks	From	To	High	Low	Average
1	12-09-2018	18-09-2018	Not traded	Not traded	Not traded
2	19-09-2018	25-09-2018	Not traded	Not traded	Not traded
			Average Price		Not traded

The relevant date is 26th September, 2018

Applicable Price (Higher of the above two) - There has been no trading during last 26 six week preceding the relevant date.



The following table is as per requirement of BSE

ANNEXURE I

The valuation report shall display the workings, relative fair value per share and fair share entitlement ratio in the following manner:

Computation of Fair Share Entitlement Ratio

Valuation Approach	Value per Share (₹)	Weight	Value per Share (₹)
Asset Approach	(7.39)	1	(7.39)
Income Approach	N.A.	N.A.	N.A.
Market Approach	N.A.	N.A.	N.A.
Market Approach Comparable Companies Multiples Method	N.A.	N.A.	N.A.
Relative Value per Share	(7.39)		(7.39)
Entitlement Ratio (rounded off) 1 Equity share of ₹ 10/- each against 1.025 Preference share			

Note 1: We have not considered the Income Approach for the present valuation on account of absence of any projected financial information for a sufficient period

Note 2: Since SMCL's equity shares are not frequently traded hence we have not considered Market Approach – Market Price method for valuation of SMCL. However as per SEBI (ICDR) Regulations, 2009 we have to consider Book value etc.

Note 3: We have not considered the Comparable Companies' Multiples method under Market Approach for valuation of as SMCL does not have any business operation.

Note 4: The Shares are infrequently traded and book value is negative and we cannot issue shares at discount. Therefore the Management has thought it prudent to issue shares at ₹10.25/- per share.



COPY OF FAIRNESS OPINION

37



Corporate Capital Ventures

(SEBI Registered Category I Merchant Bankers)

To

The Board of Directors
SHREE MANUFACTURING CO. LTD
 CIN: L36999MH1976PLC286340
 Suite# 712,
 Prasad Chambers Opera House
 Mumbai MH 400004

Subject: Fairness Opinion on the Swap Ratio (Share Exchange Ratio) provided by S A G S & Associates, Chartered Accountants for the purpose of conversion of Preference shares into Equity Shares through proposed Scheme of Arrangement between Shree Manufacturing Company Limited And Shareholders Of Shree Manufacturing Company Limited


Dear Sirs,

Please find attached the Fairness Opinion Report on the swap ratio (Share Exchange ratio) provided by S A G S & Associates, Chartered Accountants for the purpose of conversion of Preference shares into Equity Shares through proposed Scheme of Arrangement between Shree Manufacturing Company Limited (**hereinafter referred to as "SMCL" or "Company"**) And Shareholders Of Shree Manufacturing Company Limited.

The Opinion has been prepared exclusively for the management of Company. It should not be used, reproduced or circulated to any other person, in whole or in part without the consent of Corporate Capital Ventures Private Limited. We are however aware that conclusion in this report may be used for the purpose of certain statutory disclosures and we hereby provide consent for filing of same purpose.

Thanks and regards

For Corporate Capital Ventures Private Limited


Kulbhushan Parashar
 Director

Place: New Delhi
 Date: September 26, 2018

Corporate Capital Ventures Pvt. Ltd.

CIN: U74140DL2009PTC194657

160, LGF, Vinoba Puri, Lajpat Nagar-II, New Delhi-110 024

Tel: +91 11 4170 4066, Website: ccvindia.com, Email: info@ccvindia.com, ccvindiamb@gmail.com

Mumbai Office: 4A9, Gundecha Onclave, Kherani Road, Sakinaka, Mumbai 400 072



Corporate Capital Ventures Pvt. Ltd.
(SEBI Registered Category I Merchant Bankers)

FAIRNESS OPINION REPORT

On

Share Exchange Ratio for Scheme of Arrangement

Between

Shree Manufacturing Company Limited

And its

Shareholders

MERCHANT BANKERS' REPORT

September 26, 2018





Corporate Capital Ventures Pvt. Ltd.
(SEBI Registered Category I Merchant Bankers)

Continuation Sheet 39

CONTENTS

1. PRECEDENT
2. BACKGROUND
3. PURPOSE OF FAIRNESS OPINION
4. SOURCES OF INFORMATION RELIED UPON BY US FOR THE FAIRNESS OPINION
5. RATIONALE ADOPTED BY THE VALUER FOR ASCERTAINING THE SHARE EXCHANGE RATIO FOR SCHEME
6. SHARE EXCHANGE RATIO FOR SCHEME OF ARRANGEMENT
7. OPINION ON SHARE EXCHANGE RATIO
8. DISCLAIMER



Page 3 of 7



1. PRECEDENT

We have been appointed by Shree Manufacturing Company Limited ("SMCL" or "Company") to provide an Independent Fairness Opinion on the swap ratio (Share Exchange Ratio) provided by S A G S & Associates, Chartered Accountants, ("Valuer") having their office at 62 Selimpur Lane Dhakuria, Kolkata 700031, for the purpose of conversion of preference shares into equity shares through proposed scheme of arrangement between Shree Manufacturing Company Limited and Shareholders of Shree Manufacturing Company Limited.

2. BACKGROUND

Shree Manufacturing Company Limited (hereinafter referred as "SMCL"/"the Company") having CIN L36999MH1976PLC286340 was incorporated under the Companies Act, 1956, on November 11th, 1976. The Company is a manufacturing company in the textile sector and the shares of SMCL is listed at BSE Limited ("BSE") and Calcutta Stock Exchange Limited (CSE)

The total issued subscribed & paid up capital of the Company as on 31st March, 2018 is Rs. 8,37,02,770/- comprising of 55,00,277 Equity Shares of Rs. 10/- each amounting to Rs. 5,50,02,770/- and 2,87,000, 12% Cumulative Redeemable Preference Shares of Rs. 100/- each amounting to Rs. 2,87,00,000/-. The Cumulative Redeemable Preference Shares are being entirely holds by the Promoter and equity shareholding pattern are as follows:

Sl. No	Category	No. of Shares	% Holding
a.	Promoter & Promoter Group	34,12,597	62.04%
b.	Public	20,87,680	37.96%
	Total	55,00,277	100.00%

The Management of SMCL represented that SMCL does not have any outstanding warrants/options, as at the date hereof.

Subsequent to March 31, 2018 there is no change in the issued, subscribed and paid-up capital of SMCL.

The Board of Directors of the Company proposed to undertake to issue fresh Equity Shares at premium against the face value of the existing preference share in view of substantial accumulated losses and inability to repay the preference shareholder.

The proposed scheme will, inter- alia results in the following benefits:

- The net worth of the company will not be affected by the proposed conversion of Preference Share to Equity Shares under this scheme.
- The Equity Shareholders will be benefited as the Company will be able to conserve the resources which would otherwise have been utilized in payment of dividend and redemption of Preference Shares.





Corporate CapitalVentures Pvt. Ltd.
(SEBI Registered Category I Merchant Bankers)

Continuation Sheet 41

- (iii) For Equity Shareholders, there will be no prior claims on account of Preference Shares at the time of distribution of Profits or repayment of capital.

As part of the proposed Scheme all the existing Preference Shares as on the Appointed Date Shall be converted into Equity shares at a price of Rs. 10.25/- per share (at premium). (Face Value Rs.10/- per share and Premium Rs. 0.25/- per share)

The Share Exchange Ratio/Swap Ratio for the Scheme of Arrangement has been decided based on the report prepared by S A G S & Associates, Chartered Accountants (the "Valuer").

For the purpose of ascertaining the fairness of the Share Exchange Ratio for the Scheme of Arrangement, the Company has appointed Corporate CapitalVentures Private Limited ("CCV") as an Independent Merchant Banker to furnish a fairness opinion on the Share Exchange Ratio for Scheme of Arrangement recommended by Valuer.

3. PURPOSE OF FAIRNESS OPINION

As per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, the companies going for certain arrangement/amalgamation/merger/reconstruction, etc. are required to obtain a "Fairness Opinion" from an Independent Merchant Banker relating to the valuation of assets/ shares done by the Valuer.

4. SOURCES OF INFORMATION RELIED UPON BY US FOR THE FAIRNESS OPINION

We have prepared the Fairness Opinion Report on the basis of the following information provided to us:

- Report on Swap Ratio (Shares Exchange Ratio) issued by S A G S & Associates, Chartered Accountants;
- Draft Scheme of Arrangement;
- Audited Annual Financial statements of SMCL;
- Other data collated by us from publicly available sources.

We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the executives and representatives of the companies.

5. RATIONALE ADOPTED BY THE VALUER FOR ASCERTAINING THE SHARE EXCHANGE RATIO FOR SCHEME OF ARRANGEMENT

Pursuant to SEBI circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, the issuance of shares under Schemes only to a select group of shareholders shall follow the



Page 5 of 7



Corporate Capital Ventures Pvt. Ltd.
(SEBI Registered Category I Merchant Bankers)

Continuation Sheet 42

pricing of provisions of chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The pricing is to be determined as per SEBI (ICDR) Regulations, 2009.

Further, shares of SMCL are infrequently traded on BSE Limited. Pursuant to Regulation 76A of SEBI (ICDR) Regulations, 2009 as amended, the Issuer has to consider valuation parameters including book value, comparable trading multiples and such other parameters as for valuation of shares of such companies.

Accordingly, the Swap Ratio/Share Exchange Ratio has been arrived at by the Valuer considering the Net Asset Value and Market Value method of SMCL based on the financial as on March 31, 2018. Swap Ratio/Share Exchange Ratio is defined as the number of equity shares of SMCL to which a preference shareholder of SMCL would be entitled in proportion to their existing Preference Shareholding in SMCL.

6. SHARE EXCHANGE RATIO FOR SCHEME OF ARRANGEMENT

Based on the aforesaid, the Valuer has arrived at the Share Exchange Ratio of 1 (One) new Equity Share of Rs. 10/- each in the SMCL credited as fully paid up for every 1.025 (One point Zero Two Five) Preference Shares of Rs. 100/- each fully paid-up held in the capital of SMCL i.e. SMCL shall, in consideration of the Scheme of Arrangement, issue and allot 1 (One) Equity Share of Rs. 10/- each to the Preference shareholders of the SMCL holding 1.025 (One point Zero Two Five) Preference Shares of Rs. 100/- each fully paid-up in SMCL.

7. OPINION ON SHARE EXCHANGE RATIO

Based on the information, material and data made available to us, including the Report of the Valuer and the working thereto, in our opinion the Share Exchange Ratio/Swap Ratio for the proposed Scheme of Arrangement between the Company and its shareholders, as recommended by the Valuer is fair and reasonable.

8. DISCLAIMER:

1. **Our scope of work did not include the following:-**

- An audit of the financial statements of the Company discussed in this opinion.
- Carrying out a market survey / financial feasibility for the Business of any of the Company discussed in this opinion.
- Financial and Legal due diligence of any of the Company discussed in this opinion.

2. It may be noted that in carrying out our work, we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

3. We assume no responsibility and make no representations with respect to the accuracy or sufficiency or completeness of any information provided by the management of the Company / Valuer. We have not conducted any independent appraisal of any assets or



Page 6 of 7




Corporate CapitalVentures Pvt. Ltd.
(SEBI Registered Category I Merchant Bankers)

Continuation Sheet 43

liabilities of the Companies. We have not reviewed any other documents other than those stated above.

4. Our work did not constitute a validation of the financial statement of the Companies and accordingly we do not express any opinion on the same. If there were any omission, inaccuracies, or misrepresentations of the information provided by the management, it may have material effect on our findings.
5. The opinion must not be made available or copied in whole or in part to any other person without our express written permission save and except for the limited purpose of this opinion.
6. We understand that the management of the Company/ Valuer during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our opinion. In this opinion we have included all such information and matters as was received by us from management of the Company/Valuer.
7. The management of the Company or their related parties is prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified as above, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.
8. In rendering the opinion, CCV has not provided legal, regulatory, tax, accounting, actuarial or investment advice and accordingly we do not assume any responsibility in respect thereof. Further we have assumed that the Scheme will be implemented on the terms and conditions as set out in the draft scheme without any material change to or waiver of its terms and conditions.
9. We hereby declare that we do not have any direct or indirect interest in the Company/assets valued.
10. The report is issued on the understanding that it is solely for the use of the person to whom it is addressed and for the purpose described above. We will not accept any liability or responsibility to any other person other than those to whom it is addressed.
11. In no event, will CCV, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

For Corporate CapitalVentures Private Limited


Kulbhushan Parashar
Director

Date: September 26, 2018
Place: New Delhi

Page 7 of 7

BSE OBSERVATION LETTER 30.01.2019



DCS/AMAL/PB/R37/1398/2018-19

January 30, 2019

The Company Secretary,
SHREE MANUFACTURING CO.LTD
 Suite # 712, Prasad Chambers,
 Opera House,
 Mumbai, Maharashtra, 400004

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Shree Manufacturing Company Limited and their respective Shareholders

We are in receipt of Draft Scheme of Arrangement between Shree Manufacturing Company Limited and their respective Shareholders filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated January 30, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Pursuant to the Scheme, the promoter shareholding in company will increase from 62.04% to 74.85% i.e by 12.81%, which triggers open offer requirements, however such conversion is exempted under regulation 10(1)(d)(ii) of SEBI (SAST) Regulation, if it is pursuant to a scheme of arrangement approved by NCLT. Company to ensure that aforesaid is brought to the notice of shareholders and Hon'ble NCLT."
- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
 T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com
 Corporate Identity Number : L67120MH2005PLC155188

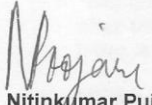
(2)

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

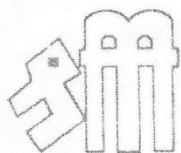
The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitinkumar Pujari
Senior Manager

COPY OF COMPLAINTS REPORT



SHREE MANUFACTURING COMPANY LIMITED

Registered Office: Suite# 712, Prasad Chambers Opera House,
Mumbai, 400004

Email: shreemanufacturing@hotmail.com

Website: www.smcl.co.in; Phone: 022-66631999

CIN: L36999MH1976PLC286340

16th November, 2018

To,
BSE Limited
Corporate Relationship Department
P J Towers, 1st Floor,
Dalal Street, Fort,
Mumbai-400 001

Scrip Code: 503863

Reg:- Filing of complaints Report Under SEBI Circular CFD/ DIL3/CIR/2017 dated 10th March, 2017

Kind Attn:- Mr. Nitin Pujari / Mr. Prasad Bhide

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between Shree Manufacturing Company Limited (SMCL) and its Shareholders.

Further to our application under Regulation 37 of the SEBI (LODR) Regulations 2015 for the proposed Scheme of Arrangement between Shree Manufacturing Company Limited (SMCL) and its Shareholders, please find enclosed the Complaints Report for the period from 16th October, 2018 to 15th November, 2018 as Annexure I

We have also uploaded the Complaints Report on our website.

We request you to take the above on record and oblige.

We request you to provide necessary "No Objection" at the earliest so as to enable us to file the Scheme of Arrangement with the National Company Law Tribunal (NCLT) Mumbai bench.

If you require any further clarifications/ information, please inform us.

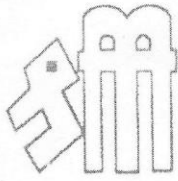
Thanking you,

For Shree Manufacturing Company Limited

Vishal Dedhia
Director
DIN: 00728370



Encl: - As above.



SHREE MANUFACTURING COMPANY LIMITED

Registered Office: Suite# 712, Prasad Chambers Opera House,
Mumbai, 400004

Email: shreemanufacturing@hotmail.com

Website: www.smcl.co.in; Phone: 022-66631999

CIN: L36999MH1976PLC286340

COMPLAINTS REPORT

Company Name : SHREE MANUFACTURING COMPANY LIMITED

Date of Complaint Report : 15.11.2018

Details of Complaints, if any received from 16th October, 2018 to 15th November, 2018 for the proposed Scheme of Arrangement between Shree Manufacturing Company Limited and their respective shareholders.

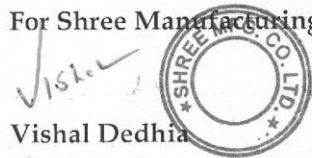
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange / SEBI	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NIL	NIL	NIL

For Shree Manufacturing Company Limited



Vishal Dedhia

Director

DIN: 00728370

Dated : 16.11.2018

Summary of the Valuation report along with the basis of such valuation

1. The management of Shree Manufacturing Company Limited (the Applicant Company) has appointed S A G S & Associates, Chartered Accountants, Kolkata as independent valuer to recommend a fair ratio of allotment of equity shares of Shree Manufacturing Company Limited (SMCL) to the Preference Shareholders of Shree Manufacturing Company Limited of the proposed Scheme of Arrangement for conversion of Preference Shares into Equity Shares..
2. For the purpose of arriving at the share entitlement ratio, the valuation report was obtained in terms of the SEBI Scheme circular, circular No. LIST/COMP/02/2017-18 dated May 29, 2017 issued by the BSE.
3. The valuer has considered the value based on Cost Approach - NAV Method
4. The valuer has not considered
 - a) Income Approach due to absence of any projected financial information for a significant period
 - b) Market Approach since the shares of the Company is not frequently traded on the stock Exchange and
 - c) Comparable Companies Multiple Method under Market Approach as the company does not have any business operation.
5. The shares are infrequently traded and book value is negative and we cannot issue shares at discount, therefore the Management has thought it prudent to issue shares at Rs. 10.25/- per share.
6. On consideration of all the relevant factors and circumstances, the valuer has recommended a ratio of 1 equity share of SMCL of INR 10/- each fully paid up for every 1.025 Preference shares of SMCL of INR 100/- each fully paid up and has been approved by the Audit Committee of the Applicant Company. Thus 28,00,000 Equity shares of Rs. 10/- each at a price of Rs.

10.25/- per shares shall be issued and allotted for 2,87,000 Preference Shares of Rs. 100/- each aggregating to Rs. 2,87,00,000/-

7. The Fairness opinion dated 26th September, 2018 was issued by Corporate Capital Ventures Private Limited, a SEBI registered Merchant Banker, explaining the rationale for their opinion as to the fairness of the share entitlement ratio from a financial point of view.
8. The above fair entitlement ratio has been arrived at on the basis of a relative valuation for the Equity shares and Preference Shares, based on the various qualitative factors relevant to the company and the business dynamics and growth potentials of the businesses of the Companies, having regards to information base, key underlying assumptions and limitations.

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF SHREE MANUFACTURING COMPANY LIMITED AT ITS MEETING HELD ON WEDNESDAY THE 26TH DAY OF SEPTEMBER, 2018 EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, PREFERENCE SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDER

1. The proposed Scheme of arrangement is between Shree Manufacturing Company Limited (SMCL) the Applicant Company and its shareholders whereby SMCL would convert Preference Shares into Equity Shares with reference to the feasibility of conveniently converting and other synergic, administrative, operational and monetary advantages derived upon such conversion

The Board of Directors concluded that the conversion of Preference shares into Equity shares is for the benefit of the Company and its shareholders, creditors and all concerned as a whole.

The Scheme of arrangement was approved by the Board of Directors of SMCL vide resolution dated 26th day of September, 2018.

2. As per Section 232(2)(c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining the effect of Scheme of arrangement on each class of shareholders, key managerial personnel (KMPs), promoters and non-promoters shareholders of the Company laying out in particular the share exchange ratio specifying any special valuation difficulties ('Report')
3. Having regard to the applicability of the aforesaid provisions, the Scheme and the following documents are placed before the Board.
 - A Draft Scheme duly initialed by the Director for the purpose of identification.
 - B Valuation Report dated 26th day of September, 2018 issued by M/s. S A G S & Associates ("the Valuer"), Chartered Accountants (Valuation Report').
 - C Fairness Opinion dated 26th day of September, 2018 issued by M/s Corporate Capital Ventures Private Limited
 - D Summary of the Valuation report along with the basis of such valuation.
 - E Certificate dated 26th day of September, 2018 issued by DPSY & Associates, the statutory auditors of the company as required under section 232(3) of the companies Act, 2013

certifying that the accounting treatment in the draft scheme is in accordance with the accounting standards and applicable law.

- F A copy of the audit committee report dated 26th day of September, 2018 in terms of requirements of circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by Securities and Exchange Board of India (SEBI)

4. Rationale of the Financial Restructuring / Scheme

The objectives of the financial restructuring are as under:

- a) Continuous losses have wiped off the value represented by the Capital, reserves and surplus and the financial statements accordingly do not reflect the correct picture of the health of the Company.
- b) Further, conversion of the preference share capital into Equity Share Capital is carried out for creating a stable capital structure for future.
- c) Since conversion of Preference shares into equity shares has become inevitable for the growth of the Company and its shareholders, the Company is now proposing to undertake a financial restructuring exercise.
- d) The Company proposes to convert the existing preference shares into Equity shares as the Company wants to keep the working capital and cash flow liquidity of the Company intact.
- e) The Company has not paid the Accumulated dividend on the Preference Shares since issue of Preference shares. The cumulative outstanding amount of accumulated dividend on preference shares as on 31st March, 2018 was Rs. 638.63 lakhs. All the Preference Shareholders have given their consent for conversion of their shares into Equity shares and forgo the accrued dividend. The Accumulated Preference Share dividend including interest, penalties accrued on default of the payment of dividend, accrued, shall be forgone by the Preference Shareholders.
- f) The Company is having issued and paid up Preference Share Capital of Rs. 2,87,00,000/-. As per the consent received from the Preference Shareholders, the Company proposes to convert aforesaid Preference Share Capital into Equity Share Capital. The Preference Shareholders will also forgo the dividend accumulated and due of Rs. 638.63 lakhs as on 31st March, 2018. The Conversion shall result in avoiding redemption and hence keeping the Working Capital Intact.

As the company is facing liquidity crunch and right now it is not in a position to redeem the amount of the preference shareholders, it is therefore decided to convert the preference shares into equity shares otherwise the liability on the company in terms of payment of dividend to them will continue to accrue.

- g) The conversion of Preference capital in the manner proposed would enable the Company to have a rational capital structure which is commensurate with its remaining business and assets.
- h) The restructuring / conversion of Preference shares into Equity shares will also not cause any prejudice to the creditors of the Company. For the sake of clarity, it is specified that the conversion in Share Capital does not involve either the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital nor is any call being waived. The Creditors of the Company are in no way affected by the proposed restructuring by way of the conversion of capital as there is no reduction in the amount payable to any of the creditors, no compromise or arrangement is contemplated with the creditors. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.
- i) There is no cash outflow from the Company.
- j) Hence, the proposed conversion will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.

5. Effect of the Scheme on Stakeholders

Sr. No.	Category of Stakeholder	Effect of the Scheme
(i)	Shareholders	<p>The Company has Equity Shareholders and preference shareholders.</p> <p>Upon this scheme coming into effect, upon conversion of Preference Shares into Equity Shares, 28,00,000 Equity shares of Rs. 10/- at a price of Rs. 10.25/- per share shall be allotted to the Preference Shareholders in lieu of their holding of 2,87,000 Preference Shares of Rs. 100/- each aggregating to Rs. 2,87,00,000/-</p>
(ii)	Promoters	Promoters of the Company are holding 34,12,597 Equity shares of Rs. 10/- each and

		2,87,000 Preference Shares of Rs. 100/- each in the Applicant Company; hence as mentioned in point (i) above, the promoter Preference shareholders will get 28,00,000 new Equity shares in the company as per fair share entitlement ratio.
(iii)	Non-Promoter Shareholders	Please refer to point (i) above the details regarding effect on shareholder.
(iv)	Key Managerial Personnel	<p>Under the Scheme, no rights of the Employees of SMCL are being affected. The services of the Employees of SMCL, under the Scheme, shall continue on the same terms and conditions on which they were engaged by SMCL. In the circumstances, the rights of the Employees of SMCL would in no way be affected by the Scheme.</p> <p>There is no effect of the Scheme on the key managerial personnel and/or the Directors of SMCL. Further no change in the Board of Directors of the company is envisaged on account of the Scheme.</p> <p>The Key managerial Personnel of the Company (KMP's) shall continue as Key Managerial Personnel of the Company after effectiveness of the Scheme.</p> <p>None of the KMP's are holding any shares either Equity or Preference Shares in the Applicant company and hence they will not get any shares of the Applicant Company</p>

6 Valuation

- I. For the purpose of arriving at the fair share entitlement ratio, the valuation report was obtained in terms of circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by the Securities and Exchange Board of India, Circular No. LIST/COMP/02/2017-18 dated 29th May, 2017 issued by the BSE Limited.
- II. S A G S & Associates Chartered Accountants have not expressed any difficulty while carrying out the valuation and share entitlement ratio.

- III. The valuer has considered the value based on Cost Approach – NAV Method
- IV. The valuer has not considered
- a) Income Approach due to absence of any projected financial information for a significant period
 - b) Market Approach since the shares of the Company is not frequently traded on the stock Exchange and
 - c) Comparable Companies Multiple Method under Market Approach as the company does not have any business operation.
- V. The shares are infrequently traded and book value is negative and we cannot issue shares at discount, therefore the Management has thought it prudent to issue shares at Rs. 10.25/- per share.
- VI. On consideration of all the relevant factors and circumstances, the valuer has recommended a ratio of 1 equity share of SMCL of INR 10/- each fully paid up for every 1.025 Preference shares of SMCL of INR 100/- each fully paid up and has been approved by the Audit Committee of the Applicant Company. Thus 28,00,000 Equity shares of Rs. 10/- each at a price of Rs. 10.25/- per shares shall be issued and allotted for 2,87,000 Preference Shares of Rs. 100/- each aggregating to Rs. 2,87,00,000/-

7. Adoption of Report by the Directors

The Directors of the Company have adopted this report after noting and considering information set forth in this report. The Board or any duly authorised committee by the Board is entitled to make relevant modification to this report, if required and such modifications or amendments shall be deemed to form part of this report

**By Order of the Board
For Shree Manufacturing Company Limited**

**Sd/-
Vishal Dedhia
Whole Time Director
DIN: -00728370
Dated 26th September, 2018**

Annexure -8

ACCOUNTING STATEMENTS FOR THE FINANCIAL YEAR 31.03.2019

SHREE MANUFACTURING CO LTD
Registered Office : Suite# 712, Prasad Chambers Opera House Mumbai - 400004
CIN : L36999MH1976PLC286340
BALANCE SHEET AS AT 31ST MARCH 2019

(Amount in Rs.)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	837,02,770	837,02,770
(b) Reserves and Surplus	3	(979,00,656)	(956,73,720)
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Other Long Term Liabilities	4	36,09,920	36,09,920
(b) Long Term Provisions	5	2,90,800	2,90,800
(4) Current liabilities			
(a) Short-Term Borrowings	6	101,29,788	79,80,387
(b) Trade Payables	7	5,11,626	-
(c) Other Current Liabilities	8	4,96,158	3,91,163
(d) Short-Term Provisions			
TOTAL		8,40,407	3,01,320
II. ASSETS			
Non-current assets			
(1) (a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investment		-	-
(c) Long-term loans and advances		-	-
(d) Other non-current assets		-	-
(2) Current assets			
(a) Trade receivables	9	5,68,470	-
(b) Cash and cash equivalents	10	2,11,958	2,53,635
(c) Short-term loans and advances	11	59,979	47,685
TOTAL		8,40,407	3,01,320

The Notes referred to above form an integral part of the Financial Statement

For DPSY & Associates
Chartered Accountants
Firm Registration No: 135764W

Datta
Swati Sethia
Chartered Accountants
Mem. No. : 407205
Place: Mumbai
Date : 27th May, 2019



For and on behalf of the Board

Namrata Malu
Namrata Malu
Director
DIN: 03583659



Vishal Dedhia
Vishal Dedhia
Whole Time Director
DIN: 00728370

SHREE MANUFACTURING CO LTD

Registered Office : Suite# 712, Prasad Chambers Opera House Mumbai - 400004

CIN : L36999MH1976PLC286340

PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED

31ST MARCH, 2019

(Amount in Rs.)

Particulars	Note No.	As at 31 March 2019	As at 31 March, 2018
I. Revenue from operations	12	5,41,400	-
II. Other income		-	-
III. Total Revenue (I + II)		5,41,400	-
IV. Expenses:			
Purchases of stock-in-trade	13	4,87,260	
Employee benefits expense	14	1,57,000	60,000
Finance costs	15	10,03,891	8,00,699
Depreciation and amortization expense		-	-
Other expenses	16	11,20,184	5,70,546
Total expenses		27,68,335	14,31,245
V. Profit before exceptional and extraordinary items and tax (III-IV)		(22,26,935)	(14,31,245)
VI. Extraordinary Items			
VII. Profit before tax (VII- VIII)		(22,26,935)	(14,31,245)
VIII. Tax expense:			
(1) Current tax		-	-
(2) Tax expense relating to prior years		-	-
(3) Deferred tax		-	-
Profit for the period from continuing			
IX. Operations (V-VI).		(22,26,935)	(14,31,245)
X. Transferred to General Reserves		-	-
Balance carried forwarded		(22,26,935)	(14,31,245)
XI. Earnings per equity share:			
(1) Basic		(0.40)	(0.26)
(2) Diluted		(0.40)	(0.26)

The Notes referred to above form an integral part of the Balance Sheet.

For DPSY & Associates
Chartered Accountants
Firm Registration No: 135764W

(Swati Sethia)
(Swati Sethia)
Chartered Accountants
Mem. No. : 407205
Place: Mumbai
Date : 27th May, 2019



For and on behalf of the Board

(Namrata Malu)
Namrata Malu
Director
DIN: 03583659

(Vishal Dedhia)
Vishal Dedhia
Whole Time Director
DIN: 00728370

SHREE MANUFACTURING COMPANY LIMITED
Registered Office : Suite# 712, Prasad Chambers Opera House Mumbai - 400004
CIN : L36999MH1976PLC286340
CASH FLOW STATEMENT FOR THE PERIOD ENDED
31ST MARCH, 2019

(Amount in Rs.)

Particulars	As at 31 March, 2019	As at 31 March, 2018
A. Cash Flow form Operating Activities		
Net Profit / (Loss) before extraordinary items and tax	(22,26,935)	(14,31,245)
Adjustments for :		
Interest Paid	10,03,891	8,00,699
Prior Period Item		
Extra ordinary item		
Operating profit / (loss) before working capital changes	(12,23,044)	(6,30,546)
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(5,68,470)	
Adjustments for increase / (decrease) in operating Liabilities:		
Trade Payables	5,11,626	
Other current liabilities	1,04,995	19,686
Long Term Provision	-	-
Cash generated from operations before Extra-ordinary items	(11,74,893)	(6,10,860)
Less: Extra ordinary Items	-	-
Net cash flow from / (used in) operating activities (A)	(11,74,893)	(6,10,860)
B. Cash flow from investing activities		
Sale of Fixed Assets		
Net cash flow from / (used in) investing activities (B)	-	-
C. Cash flow from financing activities		
Proceeds from borrowings	21,49,401	14,75,629
Call Money Received		
Interest Income	(10,03,891)	(8,00,699)
Increase in Short term Loans and Advances	(12,294)	-
Net cash flow from / (used in) financing activities (C)	11,33,216	6,74,930
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(41,677)	64,070
Cash and cash equivalents at the beginning of the year	2,53,635	1,89,565
Cash and cash equivalents at the end of the year	2,11,958	2,53,635

This is the Cash Flow Statement referred to in our report of even date

For DPSY & Associates
Chartered Accountants
Firm Registration No: 135764W

(Swati Seltia)
Chartered Accountants
Mem. No. : 407205
Place: Mumbai
Date : 27th May, 2019



For and on behalf of the Board

Namrata

Namrata Malu
Director
DIN: 03583659



Vishal
Vishal Dedhia
Whole Time Director
DIN: 00728370

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES:

Basis for preparation of accounts

The financial statements have been prepared on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India, provisions of the Companies Act, 2013 and comply in material aspects with the accounting standards notified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2015, except for gratuity which is accounted on cash basis.

Use of Estimates

The preparation of financial statements requires the Management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognised prospectively in the current and future periods.

Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Government Grants and Subsidies

Government grants in the nature of promoters contribution like investment subsidy, where no repayment is expected in respect thereof, are treated as capital reserve.

Tangible Fixed Assets

There are no Fixed Assets.

Depreciation and Amortisation

As there are no fixed assets, there is no depreciation provision.

Valuation of Inventories

There was no inventory in the current financial year.

Foreign Currency Transaction

There was no foreign currency transaction during the year.

Retirement Benefits

There is no gratuity liability for the year under review.

Taxation

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of local Income Tax Laws as applicable to the financial year.

Earnings Per Share

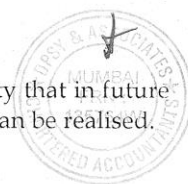
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Deferred Tax

Company has not recognised deferred tax asset as there is no reasonable certainty that in future sufficient taxable income will be available against which such deferred tax asset can be realised.

Handwritten signature

Handwritten signature



2. SHARE CAPITAL

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
i. Authorised		
7000000 Equity Shares of Rs. 10/- each	700,00,000	700,00,000
300000 12% Cumulative Redeemable Pref. Shares Rs. 100/- each	300,00,000	300,00,000
ii. Issued, Subscribed and Fully Paid up		
5500277 Equity Shares of Rs. 10/- each	550,02,770	550,02,770
287000 12% Cumulative Redeemable Pref. Shares Rs. 100/- each	287,00,000	287,00,000
Total	837,02,770	837,02,770

iii. There is no change in the shares outstanding at the beginning and at the end of the reporting date and immediately preceding reporting date.

iv. 276109 equity shares of Rs. 10/- each were issued for a consideration other than cash in pursuant of a contract.

v. The Company has one class of equity shares with equal voting and dividend rights and have 12% CRPS with Preferential rights of distribution in case of dissolution.

vi. Details of Shareholders holding more than 5% Equity shares :

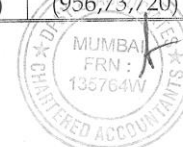
Name of Shareholders	As at 31 st March, 2019		As at 31 st March 2018	
	No. of Shares Held	% held	No. of Shares Held	% held
1. Hetal M Meghani	6,99,975	12.73%	6,99,975	12.73%
2. I C I C I Bank Ltd	3,50,025	6.36%	3,50,025	6.36%
3. Edge Consultancy Services LLP	34,12,597	62.04%	34,12,597	62.04%

vii. Details of Shareholders holding more than 5% Preference shares :

Name of Shareholders	As at 31 st March, 2019		As at 31 st March 2018	
	No. of Shares Held	% held	No. of Shares Held	% held
1. Edge Consultancy Services LLP	2,87,000	100.00%	2,87,000	100.00%

3. RESERVE & SURPLUS

Particulars	As at 31 st March, 2019	31 st March, 2018
i. Central Subsidy	15,00,000	15,00,000
ii. Capital Reserve	32,78,309	32,78,309
iii. Capital Suspense	19,75,430	19,75,430
iv. Profit and Loss Account		
Opening balance	(1024,27,459)	(1009,96,214)
Add : Current Year Profit	(22,26,935)	(14,31,245)
Less : Prior Period Expense	-	-
Closing balance	(1046,54,395)	(1024,27,459)
Total (a + b + c)	(979,00,656)	(956,73,720)



(a) The Amount of Rs. 19.75 lacs (Rs. 19.75 lacs) standing to the credit of Capital Suspense Account required to be converted into paid up equity capital of the Company by issue of 1,99,345(1,99,345) fully paid up Equity Shares of Rs. 10 each for consideration other than cash to the resident stock holders of erstwhile Indian Copper Corporation Limited, Holding 7,49,860 (7,49,860) units of stock as and when they will surrender their stock certificates as per the agreement dated 3rd January, 1977 entered into with the liquidators of Indian Copper Corporation Limited (in Member's Voluntary Liquidation)

(b) Capital Reserve amounting to Rs. 32,78,841 represents the excess of assets over liabilities taken over from the Liquidators of Indian Copper Corporation Limited (in Member's Voluntary Liquidation, hereinafter referred to as ICCL) as per the agreement dated 3rd January, 1977.

(c) In earlier year company had issued 287000 12% Cumulative Redeemable Preference Shares of Rs 100 each as fully paid up pursuant to a contract without payment being received in cash but redeemable at par in three equal installments during the years 2004-2005, 2005-2006 and 2006-2007. But the same has not been redeemed till date due to financial constraint faced by the company. Similarly in absence of cash accruals and carried forward losses the arrear of dividend on Cumulative Preference shares Rs. 673.07 lakhs has not been provided as at the date of balance sheet.

4. OTHER LONG TERM LIABILITIES

Particulars	31 st March, 2019	31 st March, 2018
Creditor for Expenses i	12,90,015	12,90,015
Sundry Deposits ii	50,000	50,000
Creditor for Goods iii	22,69,905	22,69,905
Total	36,09,920	36,09,920

5. LONG TERM PROVISIONS

Particulars	31 st March, 2019	31 st March, 2018
Listing Fees Payable	2,70,000	2,70,000
Registrar	20,800	20,800
Total	2,90,800	2,90,800

6. SHORT-TERM BORROWINGS

Particulars	31 st March, 2019	31 st March, 2018
Inter corporate loans		
Unsecured Loans - Sub Note (v)	101,29,788	9,80,387
Total	101,29,788	79,80,387

7. TRADE PAYABLES (Short Term)

Particulars	31 st March, 2019	31 st March, 2018
Creditor for Goods	5,11,626	-
Total	5,11,626	0



8. OTHER CURRENT LIABILITIES

Particulars	31 st March, 2019	31 st March, 2018
Statutory Dues - TDS Payable	1,21,204	89,913
Statutory Dues - GST Payable	2,704	-
Provision for Expenses - Sub Note (vi)	3,72,250	3,01,250
Total	4,96,158	3,91,163

9. TRADE RECEIVABLE

Particulars	31 st March, 2019	31 st March, 2018
Debtors for Goods	5,68,470	-
Total	5,68,470	0

10. CASH AND CASH EQUIVALENTS

Particulars	31 st March, 2019	31 st March, 2018
Balances with banks		
State Bank of Hyderabad	10,921	10,921
Yes Bank	-	-
ICICI Bank	1,98,328	2,40,005
Cash on hand	2,709	2,709
Total	2,11,958	2,53,635

11. SHORT-TERM LOANS AND ADVANCES

Particulars	31 st March, 2019	31 st March, 2018
Income Tax Refund Receivable	47,685	47,685
GST Receivable	12,294	-
Total	59,979	47,685

12. REVENUE FROM OPERATIONS

Particulars	31 st March, 2019	31 st March, 2018
a. Income From Operating revenues	5,41,400	-
b. Other operating revenues	-	-
Total	5,41,400	0

13. PURCHASES OF STOCK-IN-TRADE

Particulars	31 st March, 2019	31 st March, 2018
Purchase of goods	4,87,260	-
Other Expenses	-	-
Total	4,87,260	0

14. EMPLOYEE BENEFITS EXPENSE

Particulars	31 st March, 2019	31 st March, 2018
Salaries and allowances		
To Directors	60,000	60,000
To Others	97,000	-
Total	1,57,000	60,000



15. FINANCE COST

Particulars	31 st March, 2019	31 st March, 2018
Edge Consultancy LLP	8,12,816	6,92,783
Wave Advisory Services LLP	28,472	25,696
Vibrant Advisory Pvt. Ltd.	79,798	72,020
Dev Pharma	54,383	10,200
Siddarth Travels	28,422	-
Total	10,03,891	8,00,699

16. OTHER EXPENSES

Particulars	31 st March, 2019	31 st March, 2018
Operating Exp		
Office Administrative Expenses:		
Advertisement Expenses	6,800	-
Auditors Remuneration	50,000	88,500
Bank Charges	472	-
Filing Fees	-	-
Listing Fees	5,51,479	2,90,127
Legal Expenses	-	-
Postage & Courier	89,877	-
Telephone	-	-
Printing & Stationary	-	-
Stationary	-	-
Professional Charges	2,48,637	45,000
Rates and Taxes	-	-
R & T Expenses (Folio Maintenance)	1,70,603	1,46,789
Sundry Expenses	-	130
Demat Related expenses	-	-
BSE/NSE expenses	-	-
Interest on TDS	2,316	-
Total	11,20,184	5,70,546

17. AUDITORS REMUNERATION

Particulars	31 st March, 2019	31 st March, 2018
Statutory Audit	59,000	88,500
Tax Audit	-	-
Certification	-	-
Total	59,000	88,500

Name of the Related Parties	Relationship
Edge Consultancy LLP	Director is Partner
Wave Advisory Services LLP	Director is Partner

18. EARNING PER SHARES

In determining earning per shares, the company considers the net profit after tax.

Particulars	31 st March, 2019	31 st March, 2018
Net Profit & Loss as per profit & loss account (amount in `) (A)	-22,26,935	-14,31,245

Handwritten signature



Handwritten signature

Number of equity shares of ` 10 each at the beginning of the year	55,00,277	55,00,277
Number of equity shares of ` 10 each at the end of the year	55,00,277	55,00,277
Weighted average number of equity shares of ` 10 each outstanding during the year (B)	55,00,277	55,00,277
Earning per shares (Basic and Diluted) (amount in `) (A)/(B)	(0.40)	(0.26)

Previous year's figures have been regrouped/ reclassified/ restated wherever necessary to correspond with the current year's classification/ disclosures.

Sub-Notes on Financial Statements

(i) Creditor For Expenses (Non-Current Liabilities)

Particulars	31 st March, 2019	31 st March, 2018
Expenses for Conversion of shares (Indian Copper Corporation)	12,83,047	12,83,047
Interest on allotment of shares	2,538	2,538
Interest on consolidation of shares	4,430	4,430
Total	12,90,015	12,90,015

(ii) Sundry Deposits

Particulars	31 st March, 2019	31 st March, 2018
P D Synthetics Pvt Ltd	50,000	50,000
Total	50,000	50,000

(iii) Creditors for Goods

Particulars	31 st March, 2019	31 st March, 2018
Alacrity Electrics	250	250
A Ratnam	1,650	1,650
ATE Manufacturing Co Ltd	11,610	11,610
Basant Textiles Traders	5,200	5,200
Consolidated Fibre	16,12,028	16,12,028
Deepak Kr Nayak	3,804	3,804
Digicon Systems	21,350	21,350
Dwarka Lubricants	300	300
Electronics India Ltd	586	586
Inder Singh	19,594	19,594
Jain Marketing Agency	4,385	4,385
Kumaresh Yadav	3,709	3,709
Laxwell Enterprises	34,317	34,317
Luxmi Priyam Spng Mills	1,10,000	1,10,000
Mahesh Electric Works	2,74,000	2,74,000
Mukesh Co	1,250	1,250
Perfect Electroplating Works	3,500	3,500
Power Digital Electronics	6,186	6,186
Protex Corporation	472	472
Rajendra Textiles Eng	3,400	3,400
Rasi Printers & Binders	800	800
R G Textiles	4,895	4,895
R J Engineers P Ltd	625	625

Handwritten signature



Handwritten signature




Sai Teja Agencies	2,724	2,724
Sandeep Enterprises	17,680	17,680
Sanjay Engg	19,300	19,300
Shiv Shakti Traders	825	825
Shree Laaxmi Electronics	4,250	4,250
Shree Sai Electrical Works	1,250	1,250
Stafi Marketing	9,400	9,400
Surya & Co	13,440	13,440
Trumac Engg Co Ltd	49,290	49,290
Universal Trading Corpn	7,800	7,800
Unpaid Wages	18,221	18,221
Veejay Marketing	696	696
Well Pack Industries	1,118	1,118
Total	22,69,905	22,69,905

(iv) Unsecured Loans

Particulars	31 st March, 2019	31 st March 2018
Edge Consultancy Services LLP	77,51,391	67,43,957
Vibrant Advisors Pvt. Ltd.	7,36,804	6,64,986
Wave Advisory Services LLP	2,62,888	2,37,264
Dev Pharma	5,03,125	3,34,180
Siddhrath Travels	8,75,580	-
Total	101,29,788	79,80,387

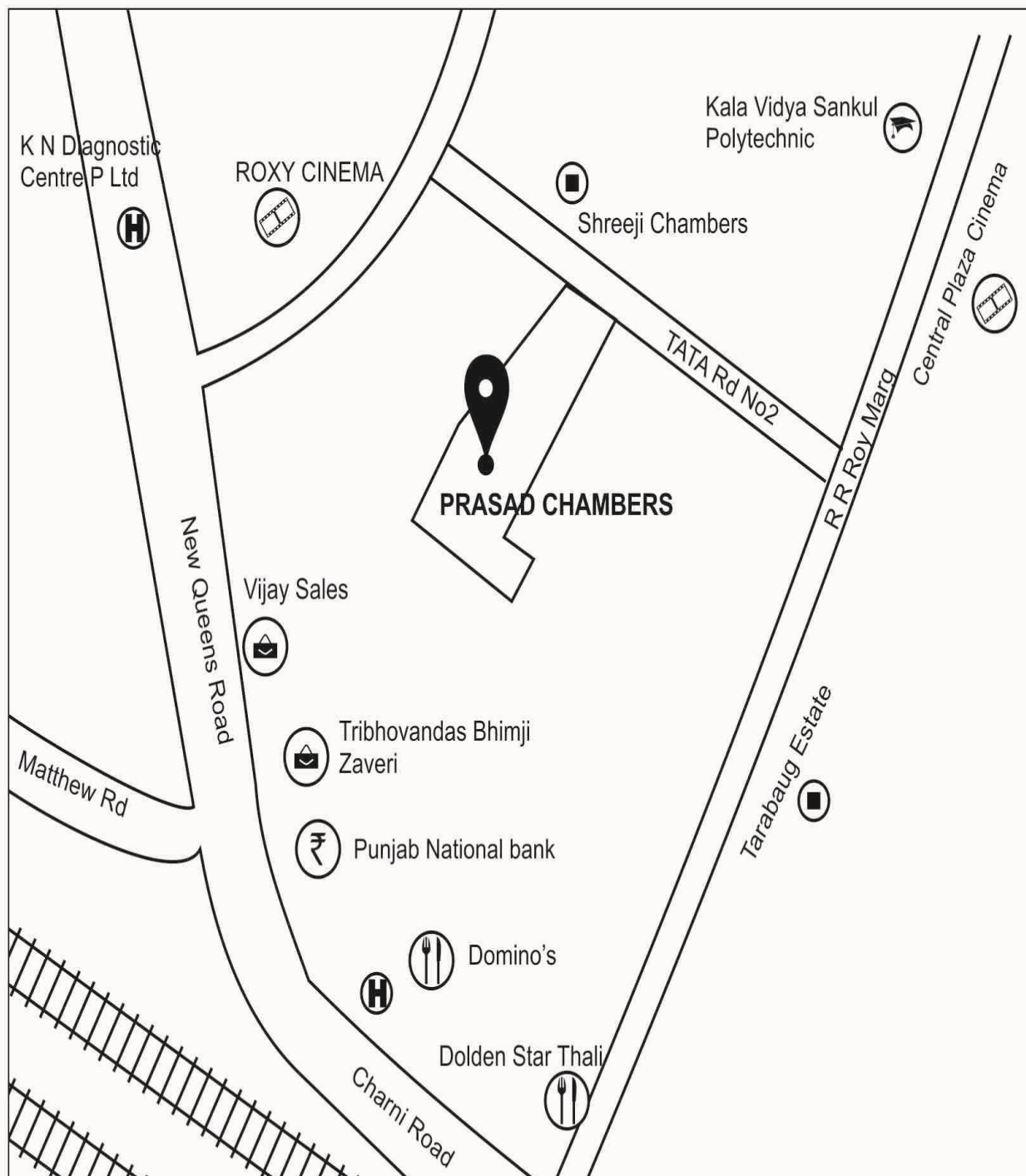
(v) Provision for Expenses

Particulars	31 st March, 2019	31 st March 2018
Audit Fees Payable	1,78,750	1,74,750
Co. Secretary Fees Payable	9,664	2,664
Employee Salary	1,35,000	75,000
Listing Fees Payable	-	-
Printing Exp. Payable	48,836	48,836
Registrar	-	-
Service Charges Payable	-	-
Total	3,72,250	3,01,250

Handwritten signature

Handwritten signature



ROUTE MAP FOR THE VENUE OF THE MEETING



THIS PAGE IS INTENTIONALLY LEFT BLANK

SHREE MANUFACTURING COMPANY LIMITED

Registered Office : Suite # 712, Prasad Chambers, Opera House, Mumbai 400 004

Tel. No. :022 - 66631999

CIN : L36999MH1976PLC286340

E-mail : shreemanufacturing@hotmail.com

Website : www.smcl.in

**EQUITY SHAREHOLDERS WHICH INCLUDES PUBLIC SHAREHOLDERS
ATTENDANCE SLIP**

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE
ENTRANCE OF THE MEETING HALL**

**MEETING OF THE EQUITY SHAREHOLDERS ON FRIDAY THE 19TH DAY OF JULY,
2019 AT 11.00 A.M.**

I /We hereby record my/ our presence at the Meeting of the Equity shareholders of Shree Manufacturing Company Limited, the Applicant Company, convened pursuant to the Order dated 28th day of May, 2019 of the NCLT at Suite # 712, Prasad Chambers, Opera House, Mumbai 400 004 on Friday, the 19th day of July, 2019 at 11.00 a.m.

Name and address of Equity Shareholder

(IN BLOCK LETTER): -----

Signature : -----

Reg. Folio No. :-----

Client ID :-----

D.P.ID :-----

No of Shares : -----

Name of the Proxy * :-----

(IN BLOCK LETTERS):-----

Signature :-----

*(To be filled in by the proxy in case he /she attend instead of the shareholder)

Notes:

1. Equity shareholders attending the meeting in person or by proxy or through authorized representatives are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Equity shareholders who come to attend the meeting are requested to bring their copy of the Scheme with them
3. Equity shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
4. Equity shareholders are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of Shree Manufacturing Company Limited in respect of such joint holding will be entitled to vote.

SHREE MANUFACTURING COMPANY LIMITED

Registered Office : Suite # 712, Prasad Chambers, Opera House,
Mumbai 400 004

Tel. No. : 022 - 66631999

CIN : L36999MH1976PLC286340

E-mail : shreemanufacturing@hotmail.com

Website : www.smcl.in

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

BENCH, AT MUMBAI

COMPANY APPLICATION (C.A.A) NO. 823 (MAH) of 2019

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to
232 read with Sections, 55, 66, 48 of the Companies
Act, 2013 and other applicable provisions of the
Companies Act, 2013

AND

In the matter of Shree Manufacturing Company
Limited, a company incorporated under the
provisions of the Companies Act, 1956

AND

In the matter of Scheme of Arrangement between
Shree Manufacturing Company Limited and their
respective Shareholders

Shree Manufacturing Company Limited,)

a company incorporated under the)

Companies Act, 1956, having its)

registered office at Suite # 712, Prasad)

Chambers, Opera House, Mumbai 400 004)

Email id :- shreemanufacturing@hotmail.com).. the Applicant Company

EQUITY SHAREHOLDERS WHICH INCLUDES PUBLIC SHAREHOLDERS

FORM OF PROXY

(As per Form MGT -11 and Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies(Management and Administration) Rules, 2014)

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / DPID and client ID*	

***Applicable in case of shares held in electronic form**

I/We, being the member(s) holding _____ shares of Shree Manufacturing Company Limited, hereby appoint:

1) Name

.....

Address.....

.....

E-Mail ID..... Signature

..... or failing him

2) Name

.....

Address.....

.....

E-Mail ID..... Signature

..... or failing him

3) Name

.....

Address.....

.....

E-Mail ID..... Signature

.....

as my/our proxy to act for me/us at the meeting of the Equity shareholders of the applicant company to be held at Suite #712, Prasad Chambers, Opera House, Mumbai 400 004 on Friday the 19th day of July, 2019 at 11.00 a.m. for the purpose of considering and, if though fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Shree Manufacturing Company Limited, the Applicant Company and its respective shareholders ("the Scheme") and at such meeting and at any adjournment or adjournments thereof to vote, for me/us and in my /our name(s) -----(here, if, for, insert 'FOR', if against, insert 'AGAINST' and in the latter case, strike out the words below after 'the Scheme')the said arrangement embodied in the Scheme, either with or without modification (s)*as my / our proxy may approve.(*strike out whatever is not applicable)

Signed this ----- day of _____2019

Signature of Shareholder (s) -----

Signature of Proxy Holder (s) -----

Affix Revenue
stamp of Re. 1/-
(signature across the stamp)

Notes:

- (1) This form of proxy must be deposited at the registered office of Shree Manufacturing Company Limited at, Suite #712, Prasad Chambers, Opera House, Mumbai 400 004 at least 48 hours before the commencement of this said Meeting.
- (2) All alterations made in the form of proxy should be initialed.
- (3) Please affix appropriate revenue stamp before putting signature
- (4) In case of multiple proxies, the proxy later in time shall be accepted.
- (5) A proxy need not be a shareholder of Shree Manufacturing Company Limited.
- (6) No person shall be appointed as a proxy who is a minor
- (7) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting results. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (8) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

THIS PAGE IS INTENTIONALLY LEFT BLANK

SHREE MANUFACTURING COMPANY LIMITED

Registered Office : Suite # 712, Prasad Chambers, Opera House,
Mumbai 400 004

Tel. No. : 022 - 66631999

CIN : L36999MH1976PLC286340

E-mail : shreemanufacturing@hotmail.com

Website : www.smcl.in

Pursuant to Section 110 and 230(4) of the companies Act, 2013 read with Rules made thereunder and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017

POSTAL BALLOT FORM

Sr. No. :

Ballot No.

- 1 Name of the Equity Shareholders(s)
including joint –holders, if any _____
- 2 Registered Address of the sole/ first
name Equity shareholder _____
- 3 Folio No / DPID No * /Client ID No.* _____
(* Applicable to Equity shareholders
holding equity shares in dematerialized
form) _____
4. Number of Equity shares held _____

I/ We hereby exercise my/ our vote in respect of under noted resolution to be passed through Postal Ballot by sending my/ our assent (FOR) or dissent (AGAINST) to the said resolution by placing a tick (✓) mark at the appropriate box below:

Sr. no.	Description	No. of Shares held	(For) I/We assent to the Resolution	(Against) I/We dissent to the Resolution
1	Approval of the Scheme of Arrangement between Shree Manufacturing Company Limited, the Applicant Company and its respective shareholders for conversion of Preference Shares into Equity Shares			

Place:

Date:

Signature of the Shareholder /Power of Attorney Holder
/ Authorised Representative

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password

Note: - Please read instructions printed overleaf carefully before exercising your vote. Shareholders desiring to exercise e-voting option may refer to detailed procedure on electronic voting provided in the notice of the meeting.

INSTRUCTIONS

- 1 Please convey your assent in column "FOR" and dissent in the column "AGAINST" by placing a tick (✓) mark in the appropriate column the ballot form only. The assent or dissent received in any other form or manner will not be considered.
- 2 Equity shareholders who have received the Postal Ballot form by e-mail and who wish to vote through postal ballot form can download the postal ballot form from the Applicant Company's website www.smcl.in or seek duplicate postal ballot form from the applicant company.
- 3 Equity shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer so as to reach the Scrutinizer before 5.00 p.m. on or before 18th day of July, 2019. Postal Ballot form, if sent by courier or by registered post/ speed post at the expenses of an equity shareholders will also be accepted. Any postal ballot form received after the said date and time period shall be treated as if the reply from the Equity shareholders has not been received.
- 4 Unsigned, incomplete, improperly or incorrectly tick marked postal ballot forms will be rejected.
- 5 The vote on postal ballot cannot be exercised by a proxy.
- 6 There will be only one (1) postal ballot form for every registered folio / client ID irrespective of the number of joint equity shareholders.
- 7 The Postal Ballot Form should be completed and signed by the Equity Shareholders (as per specimen signature registered with the Applicant Company and /or furnished by the Depositories). In case, shares are jointly held, this Form should be completed and signed by the first named member and in his/her absence, by the next named Equity shareholder. Holders of

Power of Attorney (POA) on behalf of Equity shareholder may vote on the Postal Ballot mentioning the registration No. of the POA with the Applicant Company or enclosing a copy of the POA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the postal ballot form.

- 8 Kindly note that Equity shareholders (which includes Public shareholders) can opt only one mode for voting i.e. either by postal ballot or e-voting. If you are opting for e-voting, then he/she should not vote by postal ballot form and vice versa. However, in case Equity shareholder (s) cast their vote both via postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
- 9 Shareholders are requested not to send any other paper along with the postal Ballot in the enclosed self-addressed postage prepaid envelope.
- 10 Ms. Payal Tachak (Membership No. ACS 38016) Proprietor of M/s Payal Tachak & Associates, Practicing Company Secretaries Mumbai has been appointed as the scrutinizer to conduct the postal ballot and e-voting process and voting at the venue of the meeting in a fair and transparent manner

THIS PAGE IS INTENTIONALLY LEFT BLANK