

SCHEME OF REDUCTION OF CAPITAL

BETWEEN

VIKAS ECOTECH LIMITED

AND

ITS SPECIFIED SHAREHOLDERS

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

**SCHEME FOR REDUCTION OF CAPITAL OF VIKAS ECOTECH
LIMITED**

This Scheme is divided into the following paragraphs:

- (A) **Part I** - Definitions and Interpretations;
- (B) **Part II** - Background of Vikas Ecotech Limited (*including its capital structure*);
- (C) **Part III** - Reduction of share capital of Vikas Ecotech Limited; and
- (D) **Part IV** - General Clauses and other Terms and Conditions.

PART I

DEFINITIONS AND INTERPRETATIONS

1. DEFINITIONS:

- 1.1. In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as mentioned herein below:

- 1.1.1. "**Act**" shall mean the Companies Act, 2013 and shall include any rules, regulations, orders, statutory modification, amendment or re-enactment thereof from time to time;
- 1.1.2. "**Board**" or "**Board of Directors**" shall mean Board of Directors of the Company and shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors;
- 1.1.3. "**BSE**" shall mean the BSE Limited;
- 1.1.4. "**Company**" shall mean Vikas Ecotech Limited, a listed company, incorporated on November 30, 1984, under the Companies Act, 1956 and having corporate identification number L65999DL1984PLC019465 and its registered office at 34/1, Vikas Apartments, East Punjabi Bagh, Delhi, 110026, India;
- 1.1.5. "**Effective Date**" for the Scheme shall mean the date on which certified copy of the order of the NCLT along with the minutes as approved by the Hon'ble NCLT under Section 66 of the Act, read with National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Act (to the extent applicable), is filed with the Registrar of Companies, Dehi;
- 1.1.6. "**Equity Shares**" shall mean fully paid-up equity shares of Re.1 (Rupee one only) each issued by the Company;
- 1.1.7. "**NCLT**" shall mean the Hon'ble National Company Law Tribunal, Delhi;
- 1.1.8. "**NSE**" shall mean the National Stock Exchange of India Limited;
- 1.1.9. "**RoC**" shall mean the Registrar of Companies, Delhi and Haryana;

- 1.1.10. "**Rules**" shall mean the National Company Law Tribunal (Procedure for reduction of share capital of Company), Rules, 2016 as amended from time to time, and other applicable rules;
- 1.1.11. "**SEBI**" shall mean the Securities and Exchange Board of India;
- 1.1.12. "**Settlement Agreement**" shall have the meaning as ascribed to it in Clause 5.8;
- 1.1.13. "**Shareholder**" shall mean a person holding Equity Shares who is registered as a member in the Register of Members of the Company;
- 1.1.14. "**SPA**" shall have the meaning as ascribed to it in Clause 5.1;
- 1.1.15. "**SSPL**" shall have the meaning as ascribed to it in Clause 5.1;
- 1.1.16. "**SSPL Shareholders**" or "**Specified Shareholders**" shall have the meaning as ascribed to it in Clause 5.1;
- 1.1.17. "**SSPL Shareholders' Shares**" shall have the meaning as ascribed to it in Clause 5.1; and
- 1.1.18. "**this Scheme**" or "**the Scheme**" or "**Scheme**" shall mean this Scheme of reduction of capital between the Company and its Specified Shareholders i.e., SSPL Shareholders in its present form or with such alterations/ modifications as may be approved, imposed or directed by the NCLT of the relevant jurisdiction under applicable laws.
- 1.2. The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations and bye-laws, as

the case may be, including any statutory modification or re-enactment thereof, from time to time.

PART II
BACKGROUND OF VIKAS ECOTECH LIMITED (*INCLUDING ITS CAPITAL STRUCTURE*)

2. DETAILS OF THE COMPANY:

2.1. Incorporation of the Company:

2.1.1. The Company was originally incorporated on November 30, 1984, under the Companies Act, 1956 as a public limited company under the name and style "*Vikas Leasing Limited*". Thereafter, the name of the Company was changed from "*Vikas Leasing Limited*" to "*Vikas Profin Limited*" and a fresh certificate of incorporation was issued on January 7, 2002. Thereafter, the name of the Company was again changed from "*Vikas Profin Limited*" to "*Vikas Globalone Limited*" and a fresh certificate of incorporation was issued on December 31, 2008. On October 21, 2015, the name of our Company was again changed from "*Vikas Globalone Limited*" to "*Vikas Ecotech Limited*" and a fresh certificate of incorporation was issued under the seal of Registrar of Companies, Delhi and Noida SEZ (Uttar Pradesh).

2.1.2. The registered office of the Company is situated at 34/1, Vikas Apartments, East Punjabi Bagh, Delhi, 110026, India.

2.1.3. The Company is involved in the manufacturing and supply of specialty polymers, additives, and chemicals designed for the plastics and rubber industries. It serves a diverse range of sectors, including agriculture, infrastructure, packaging, electrical, footwear, pharmaceuticals, automotive, medical devices and components, as well as other consumer goods. The Company

stands as India's exclusive manufacturer of organotin compounds, specifically heat stabilizers for vinyl applications, backed by its state-of-the-art in-house research and development facilities. The Company is one of the handful of manufacturers globally with advanced technology and expertise to produce these products, managing the entire process from tin metal to the final stabilized compound.

- 2.1.4. The Equity Shares of the Company are currently listed on both the stock exchanges i.e. the BSE (Scrip code: 530961) and NSE (NSE Symbol: VIKASECO).
- 2.1.5. This Scheme is made in pursuance of Section 66 of the Act read with Section 52 of the Act, Rules and other applicable provisions of the Act (to the extent applicable).
- 2.1.6. The purpose of reduction of the paid-up share capital of the Company as encapsulated herein, pertains to the preferential allotment of 38,03,50,000 equity shares of the Company (i.e., SSPL Shareholders' Shares) which were issued to the SSPL Shareholders (*as detailed in Schedule I*) in Non-Promoters - Public Category.
- 2.1.7. These SSPL Shareholders' Shares were issued by the Company pursuant to a share-swap transaction (*as more particularly set out hereinafter*). However, after the execution of the share-swap transaction in accordance with Share Purchase Agreement dated January 22, 2024 (SPA) and the issuance of the SSPL Shareholders' Shares as a consideration of the SPA and during the handover process, the Company gained cognizance of certain financial irregularities and identified violations of certain condition specified in the SPA. Despite persistent follow-ups and attempts to resolve the matter, SSPL and SSPL Shareholders failed to provide the Company with any satisfactory or valid response or rectify such issues. Given the lack of cooperation and unresolved issues, the Company was compelled to pursue legal action against SSPL and

SSPL Shareholders. As a result, the Company filed a petition against SSPL and SSPL Shareholders before the Hon'ble Delhi High Court, seeking appropriate remedy for the breach of contractual obligations and the financial discrepancies discovered. Though, re-negotiation started again between the parties and with mutual consent, it was decided to reverse the share-swap transaction, and accordingly, the Company and SSPL Shareholders entered into a Settlement Agreement to terminate the share-swap transaction and proposed this reduction of share capital forming part of SSPL Shareholders' Shares in the manner as set out in this Scheme.

2.1.8. The investment of the Company in SSPL, as a part of the share-swap transaction, has been cancelled since the Company has already transferred such investment to the SSPL Shareholders, in its entirety, as per the Settlement Agreement.

2.1.9. Upon the Scheme coming into effect, certain share premium amount (forming a part of the reserve and surplus) created pursuant to issue and allotment of SSPL Shareholders' Shares shall also stand cancelled.

2.2. Main Objects of the Company:

2.2.1. The Main Objects of the Company, as set out in the Memorandum of Association are as follows:

1. *"To carry on the business of buyers, sellers, manufacturers, importers, exporters, traders, stockist, dealers, distributors agents, broker, commission agents, forwarding and clearing agents, sales organizer of all kinds of foods, food grains, cereals and Rice, wheat, Dal, Besan, Maida, Atta, Suji & all kinds of foods products, petrol, kerosene oil and all kinds of plastic & chemicals raw material and products like polymers, petrochemicals, organic compound,*

inorganic compound, solvents, petroleum products, perfumes, medicines, drugs, pharmaceuticals, nutraceuticals, dietary supplements biological foods, natural vitamins, insecticides, fumigates, vitamin products, hospital equipment like surgical equipment and x-ray machines, engineering goods, machine tools, hand tools, small tools, metals alloys, iron pipe, fitting nuts and bolts, bicycles and accessories, automobile parts, steel and stainless and iron products, ores and scraps, metallurgical residues, hides, skins, leather goods, furs, bristles, tobacco, hemp, seeds, oil and cakes, vanaspati, textile, fiber and wastes/coir and jute and products thereof wood and timber, bones, crushed and uncrushed, industrial diamonds, coal and charcoal, glue, gums and resins, ivory, lac, shellac, chemical preparations, plastic and linoleum articles, glass ware, brassware, antiques, handicrafts, handloom, decorative toy, liquid gold, precious and semi-precious, stones, ornaments, jewelleryes, pearls, boutiques, soaps, paints, instruments, apparatus and application, machinery and mill work and parts thereof, paper and stationery, sport goods, textiles including decorative hand and machine made readymade garments, carpets, rugs, druggets, artificial silk fabrics, woolen, cloth and all sorts of apparels, dressing materials cosmetics, wigs, belts, cinematograph films exposed gramophone records, rubber, plastic goods, starch, umbrellas, crown croks. batteries, surgical and musicar instruments, marble and hardware items, traditional calendars, all kinds of books and manuscripts, electric and electronic products of all kinds, sanitaryware, and fittings wooden table, natural fibre products, celluse and cellulisoc products, mixed blended products, nylon, polyester, fibre, yarn hosiery and mixed fabrics, natural silk fabrics and garments, fish and fish products, folder bran, fruits nut, cash amount, kernels, grains, pulses, flour, confectionery, provisions, alcohol, beverages, perfumes, spirits, spices and

tea, coffee, sugar and molasses, vegetable and vegetable products, processed food and packed food, computer hardware & software & all allied item in India & abroad.

2. *To carry on the business of buyers, sellers, importers, exporters, traders, stockists, dealers, agents, brokers, commission agents of all kinds of goods and merchandise.*
3. *To invest the capital of the Company in and deal with shares, stocks, bonds, debentures, obligations or other securities of any company, associations, trust, issue on commission, sell, mortgage of dispose off any of the securities, hereinbefore mentioned or to act as agent for any of the above purposes.*
4. **¹and to carry on business of purchase, sale, subscription, acquisition, investment or dealing in shares, units, negotiable instruments, foreign exchange, debentures, bonds, obligations, mortgages, and securities of any kind, movable and immovable assets and any interest therein and lending and advancing money or give credit to any persons and to advance loans and to make investment in securities, shares, mutual funds, bonds, warrants, debentures, or any other kind of interest or instrument carrying rights.*
5. *To carry on business as auctioneers, house agents, land and estate agents, appraisers, valuers, brokers, commission agents, surveyors and general agents and to purchase otherwise acquire and to sell, let or otherwise dispose of and deal in, real and property of every description.*
6. *To carry on in India or in any part of the world, the business of proprietors, owners or agents of theatres, cinema houses,*

¹ *Amended pursuant to Special Resolution passed at the 37th Annual General Meeting held on September 29, 2022

music or concert halls. To construct cinema houses, to own and or hire them out.

7. *To carry on business in Information Technology related business i.e. Consultancy/development in Computer Software & Hardware, E-commerce, Internet services providers etc. Also to subscribe, acquire and hold shares & stocks of any other company dealing in same business or to form a 100% subsidiary of the company for the same business. To deal in the business of sale, purchase, import, export, stockiest, distributors, designers, agent, traders, exchangers and jobbers in all kinds/types of computers, computer software development, conversion, data entry, software implementation, system study, software documentation and related components, computer systems, computer peripherals, integrated circuits, process controllers computer printers transformers monitors uninterrupted power supply system, computer components, computer based systems, computer aided design, computer aided manufacture telecommunication, telecommunication related hardware and software networking of local area and wide area, data communication for hardware and software, computerised medical system, bio electrical equipment's. To deal in other office automation machines, printers, computer stationery, computer furniture, ribbons, diskettes, magnetic tapes and other related items in India and abroad. To provide long term and short-term maintenance of computers associated equipment, replacement and servicing of computers, computer peripherals related electrical equipment and items in India and/or abroad. To run business as computer franchise bureaus, hiring of computer time and services, data processing, system analysis, design programming, data storage and computer output micro film in India and/or abroad, provide consultancy services in India and/or abroad on selection of*

computer systems, software, media, peripherals and allied items, computer personal and on computerisation in general. To hold seminars, courses, training institution and business conferences for training in computer, and office automation, computer programming, system analysis, operational research, computer operation, data entry operations, operation and other computer related activities in India and abroad. To provide software and hardware personnel to work at customer sites in India and abroad. To provide consultancy services in India and abroad on preparation of project reports computer systems and software, media, peripherals and allied items.

8. ²*To carry on new edge technology and data driven businesses, trades and activities, essentials for enhancing quality of life, livelihood, overall environment or otherwise, having economic values and to undertake these businesses either individually or in collaboration with other persons, companies or corporations and to enter into agreements and contracts, strategic alliances, business association, joint-ventures, partnerships or into any arrangement for sharing profits, union of interest, co-operation, reciprocal concession or other alike business propositions, with such person, firm, corporate or other entity carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorised to carry on or engage in or any business or undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit the company."*

3. CAPITAL STRUCTURE OF THE COMPANY:

- 3.1. The capital structure of the Company as per the Un-audited

² Amended pursuant to Special Resolution passed at the 37th Annual General Meeting held on September 29, 2022

financial statements as on December 31, 2024 is as follows:

Particulars	Un-Audited financial statements for quarter ending December 31, 2024
Authorised Share Capital*	
Equity Shares of Re.1 each	2,00,00,00,000
Paid-up Share Capital	
Equity Shares of Re.1 each	1,76,87,06,024

* The Authorized Share Capital of the Company stands enhanced from Rs.2,00,00,00,000 (Rupees two hundred crores only) to Rs.2,35,00,00,000 (Rupees two hundred and thirty-five crores only) vide the special resolution passed by the Shareholders through postal ballot concluded on February 01, 2025.

- 3.2. There has been no change in the capital structure of the Company from December 31, 2024, till date (*apart from the increment in the authorised share capital as set out herein above*).

4. COMPLIANCE WITH TAX LAWS:

- 4.1. The reduction of share capital in accordance with this Scheme shall be subject to provisions of the Income Tax Act, 1961.

**PART III
REDUCTION OF SHARE CAPITAL OF VIKAS ECOTECH
LIMITED**

5. RATIONALE AND PURPOSE OF THE REDUCTION:

- 5.1. The Company entered into a Share Purchase Agreement dated January 22, 2024 ("*SPA*") with the shareholders of Shamli Steels Private Limited ("*SSPL Shareholders*" or "*Specified Shareholders*"), for purchasing the entire issued, subscribed and paid up capital of Shamli Steels Private Limited [CIN: U27106DL1999PTC102497], a private company incorporated

under the Companies Act, 1956 and having its registered office address at G-1, Plot No. 12, GF, Bargodia Tower D Block, Central Market, West Delhi, Prashant Vihar, Delhi 110085 ("**SSPL**") in the form of share-swap transaction. As a part of the share-swap transaction, the Company on May 18, 2024, had issued 38,03,50,000 equity shares of face value of Re.1 each at an issue price of Rs.4.20 (*including a premium of Rs.3.20*) per equity share on a preferential basis to the SSPL Shareholders under the category of "Non-Promoters, Public Category" ("**SSPL Shareholders' Shares**") in manner as set out in **Schedule 1**. The SSPL Shareholders' Shares were issued in consideration pursuant to the SPA and the issuance was undertaken after obtaining all requisite approvals including, the shareholders consent and *in-principle* approval from the stock exchanges.

- 5.2. These SSPL Shareholders' Shares were issued on a share swap basis in the ratio of 20:1 i.e., for every 20 (twenty) equity shares of the Company, one (1) equity share of SSPL was issued towards the acquisition of the entire issued subscribed and paid-up share capital of SSPL, at an enterprise value of Rs.160 Crores (Rupees one hundred and sixty crores only).
- 5.3. Accordingly, in terms of the provisions of Regulation 164 of the SEBI ICDR Regulations, the minimum price at which the equity shares were issued computed to Rs.4.17 each Equity Share, though the Board of Directors of the Company decided to keep the floor price for this transaction at Rs.4.20 per Equity Share to be issued to the SSPL Shareholders' which included the premium of Rs.3.20 per equity share owing to which there was an increment of Rs.1,21,71,20,000 (Rupees one hundred and twenty one crores seventy one lakhs twenty thousand only) to the Securities Premium Account (*forming a part of Reserves & Surplus*).
- 5.4. Apart from the aforementioned, the Company also advanced a loan of Rs.15,00,00,000 to SSPL, which is yet to be returned and for

which necessary actions are being taken by the Company separately, to recover the aforesaid loan from SSPL and SSPL Shareholders – which would be over and above the Capital Reduction contemplated under this Scheme.

- 5.5. Pursuant to the share-swap transaction, the Company had acquired the 100% equity shareholding of SSPL and in turn, the Company issued the SSPL Shareholders' Shares in the manner as more particularly set out in Schedule 1.
- 5.6. Pursuant to this share-swap transaction, the Company and the SSPL Shareholders commenced undertaking the obligations as set out in SPA. However, during the handover of SSPL, the management of the Company also undertook diligence of SSPL, where the management of the Company gained cognizance about certain financial irregularities, unreported tax demands and misdeeds of the promoters and SSPL Shareholders. In view of which the Company forthwith requested the promoters of SSPL and SSPL Shareholders to rectify such anomalies. However, since the same were not cured even after repeated reminders and discussions, the Company was constrained to initiate legal actions against the promoters of SSPL and SSPL Shareholders in order to save the Company and its members from the adverse effects of such findings.
- 5.7. The Company filed a petition against the promoters of SSPL and SSPL Shareholders under Section 9 of the Arbitration and Conciliation Act, 1996 bearing OMP (I)(Comm.) No. 428/2024 before the Hon'ble High Court of Delhi. During the course of the hearing, the Hon'ble High Court of Delhi while issuing notice to the SSPL Shareholders and SSPL granted an interim order in favour of the Company *vide* its Order dated December 19, 2024.
- 5.8. Thereafter, post negotiation, all the parties decided to reverse the transaction and accordingly, the Company and the SSPL

Shareholders entered into a Termination cum Settlement Agreement dated January 29, 2025 ("**Settlement Agreement**"), where the parties have agreed to nullify the entire transaction as encapsulated under the SPA and all the acts and deeds undertaken pursuant to the SPA shall be reversed in such a manner as there was no SPA ever undertaken including the issuance of the SSPL Shareholders' Shares. The parties have through the Settlement Agreement agreed to maintain status quo ante and reverse the transaction where the Company was required to return the shares of Shamli Steels Private Limited back to SSPL Shareholders in tranches as mentioned in the Settlement Agreement (*these shares have been transferred to the SSPL Shareholders, in its entirety, as per the Settlement Agreement*) and the SSPL Shareholders' Shares issued by the Company are required to be cancelled/reversed/extinguished (*to be done pursuant to this Scheme*).

- 5.9. As a part of the settlement terms forming a part of the Settlement Agreement, the Company and SSPL Shareholders have agreed and arrived at an arrangement that till SSPL Shareholders' Shares are not cancelled/reversed by the Company, the SSPL Shareholders holding these SSPL Shareholders' Shares will continue to hold the same, in trust, however, such SSPL Shareholders shall have no ownership rights over the Retained Assets (*as defined under the Settlement Agreement*) including the SSPL Shareholders' Shares, benefits and other assets. Additionally, pursuant to the Settlement Agreement, (i) the possession of the assets of SSPL (including the factory premises) have also been handed over to SSPL; (ii) the nominee directors of the Company in SSPL have also resigned from the board of SSPL; and (iii) the shares held by the Company in SSPL have been transferred, in its entirety, to the shareholders of SSPL in the manner as set out Settlement Agreement.
- 5.10. The Order dated January 31, 2025, passed by Hon'ble High Court of Delhi in I.A. No. 2649/2025 in OMP (I)(Comm.) No. 428/2024

records the settlement as encapsulated under the Settlement Agreement.

- 5.11. The Company has, in a timely manner, issued relevant outcomes/intimations to the stock exchanges upon undertaking each relevant event from the execution of the SPA to the termination of the SPA in accordance with the applicable laws including making requisite disclosures under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5.12. The SSPL Shareholders' Shares issued to SSPL Shareholders as of now form a part of the current equity share capital structure of the Company. In order to give effect to the Settlement Agreement, the Company wishes to annul/cancel/extinguish the issue of such SSPL Shareholders' Shares and reduce the same in such a manner as there was no SPA ever undertaken by the Company, SSPL Shareholders and SSPL.
- 5.13. In order to give effect to the aforesaid, the Company, proposes to reduce its issued, subscribed and paid-up equity share capital from Rs.1,76,87,06,024 divided into 1,76,87,06,024 equity shares of Re.1 each to Rs.1,38,83,56,024 divided into 1,38,83,56,024 equity shares of Re.1 each by cancelling and extinguishing 38,03,50,000 equity shares each of Re.1 each issued and allotted to the SSPL Shareholders pursuant to the SPA in the manner as set out in Schedule 1 of this Scheme ("**Capital Reduction**").
- 5.14. Accordingly, the Securities Premium Account of the Company (*forming a part of Reserves & Surplus*) to an extent of Rs.1,21,71,20,000 (Rupees one hundred and twenty one crores seventy one lakhs twenty thousand only) increased pursuant to the issue and allotment of SSPL Shareholders' Shares shall also stand cancelled, without any further act or deed to be undertaken by the Company, pursuant to the Scheme coming into effect.

5.15. This Scheme along with reduction of Securities Premium Account is in the interest of the Company and with the primary intent that the status of the share capital will be as there was no SPA ever undertaken in order to save the Company and its shareholders from the adverse effects of the findings of the acts undertaken by SSPL Shareholders. Now, since the status of the share capital pursuant to the Capital Reduction will retain such a position as there was no SPA ever undertaken, the requirement of ascertaining the valuation of the Company for the Capital Reduction does not arise as the Company is only reducing the SSPL Shareholders' Shares and the accounting treatment (including the decrease in the capital reserves) is a consequent result of such Capital Reduction.

6. OBJECTS/ BENEFITS ARISING OUT OF THE SCHEME:

6.1. This Scheme, when approved, would enable the Company to retain the position as there was no SPA ever undertaken between the parties and save the Company from the unreported, falsified and unforeseen uncertainties and liabilities which may cause adverse effects not only to the business of the Company but also its reputation.

6.2. The Scheme is merely a reduction in the share capital of the Company along with reduction of Securities Premium Account prepared in terms of Section 66 read with Section 52 of the Act, read with the Rules, and other applicable provisions of the Act (to the extent applicable) and does not envisage issuance of any new shares to any person or entity. The proposed reduction is for the cancellation/extinguishment of these specific equity shares of the Company which were allotted on preferential basis as a consideration of the SPA i.e., only the SSPL Shareholders' Shares and will not entail reduction of share capital of any other shareholders of the Company.

6.3. The reduction of share capital does not entail diminution of any

liabilities of the Company in respect of any unpaid capital nor entails payment to any shareholder of any paid-up capital (*apart from the cancellation of the investment held by the Company in form of entire paid share capital of SSPL- which has already been undertaken by the Company*).

- 6.4. Pursuant to the Capital Reduction, there may be an increase only in percentage of the shareholding of the remaining shareholders of the Company i.e., apart from the SSPL Shareholders proportionate to reduction of share capital as contemplated under this Scheme. It is clarified that the proposed reduction does not contemplate any change in the control or management of the Company and is only for the specific reduction of the SSPL Shareholders' Shares. In other words, the management and control of the Company, shall pursuant to the reduction, continue to be with the promoters of the Company.
- 6.5. Further, the reduction of capital along with reduction of Securities Premium Account will neither cause any prejudice to the shareholders, creditors, or any other stakeholders of the Company, nor, for that matter, will adversely affect the ordinary operations of the Company or its ability to honour its commitments or to pay its debts in the ordinary course of its business.
- 6.6. The consent of the shareholders of the Company to this Scheme of Capital Reduction of the Company will be taken through a resolution under the provisions of Section 66 of the Act read with Section 52 of the Act read with the Rules and other applicable provisions of the Act (to the extent applicable) and any other applicable provisions.
- 6.7. Notwithstanding the reduction as mentioned herein, the Company shall not be required to add "and reduced" as a suffix to its name and the Company shall continue in its existing name.

7. EFFECT OF THE SCHEME:

7.1. The Capital Reduction along with reduction of Securities Premium Account pursuant to the Scheme will be reflected in the books of accounts of the Company, on the Effective Date, in following manner:

7.1.1. The Capital structure of the Company pre and post the Scheme is reflected in the table below:

Pre-reduction**			Post-reduction		
Particulars	No. of Shares	Amount (in INR)	Particulars	No. of Shares	Amount (in INR)
Authorised Share Capital*					
Equity Shares of value Re.1 each	2,35,00,00,000	2,35,00,00,000	Equity Shares of value Re.1 each	2,35,00,00,000	2,35,00,00,000
Issued, Subscribed and Paid-up Share Capital					
Equity Shares of value Re.1 each	1,76,87,06,024	1,76,87,06,024	Equity Shares of value Re.1 each	1,38,83,56,024	1,38,83,56,024

*The Authorized Share Capital of the Company increased from Rs.2,00,00,00,000 (Rupees Two Hundred Crores Only) to Rs.2,35,00,00,000 (Rupees Two Hundred And Thirty-Five Crores Only) vide the special resolution passed by the Shareholders through postal ballot concluded on February 01, 2025.

** as on today.

7.2. The aforesaid Capital Reduction is proposed to be affected by nullifying the issue of 38,03,50,000 equity shares as on December 31, 2024 and shall be reversed in such a manner as there was no SPA ever undertaken.

7.3. Upon approval of the Scheme, the paid-up share capital of the Company will be reduced from Rs.1,76,87,06,024 (Rupees one hundred and seventy six crores eighty seven lakhs six thousand and twenty four only) divided into 1,76,87,06,024 (One hundred and seventy six crores eighty seven lakhs six thousand and twenty four only) Equity Shares of Re.1 each to Rs.1,38,83,56,024 (Rupees one hundred thirty eight crores eighty three lakhs fifty six thousand and

twenty four only) divided into 1,38,83,56,024 (One hundred thirty eight crores eighty three lakhs fifty six thousand and twenty four only) Equity Shares of Re.1 each.

- 7.4. Accordingly, upon the Scheme coming into effect, the Securities Premium Account of the Company (*forming a part of Reserves & Surplus*) to an extent of Rs.1,21,71,20,000 (Rupees one hundred and twenty one crores seventy one lakhs twenty thousand only) which was increased due to issue and allotment of SSPL Shareholders' Shares shall also stand cancelled, without any further act or deed on the part of the Company.

8. **KEY FINANCIAL ASPECTS:**

- 8.1. The key aspects with respect to the financial performance of the Company pre and post Capital Reduction is as follows:

Amount (in Lakhs.)

Particulars	Pre-reduction of Capital	Reduction*	Post reduction Net-worth**
Paid up Capital	17687.06	(3803.50)	13,883.56
Add: Reserve & Surplus	37,149.72	(12171.20)	24,978.52
Less: Accumulated losses, if any	-	-	-
Less: Miscellaneous Expenditure	-	-	-
Total Net-worth	54836.79	(15,974.7)	38,862.09

*Since 38,03,50,000 shares of Re.1 each were issued at an issue price of Rs.4.20 (including premium of Rs.3.20) per share, face value of Re.1 per equity share will get reduced from the total paid up equity capital of the Company, whereas Rs.3.20 per equity share shall stand reduced from Share Premium A/C (part of the Reserves & Surplus).

**These are indicative figures, as it does not include: profit/(loss) of the entity post September 30, 2024.

9. **AUTHORIZED SHARE CAPITAL:**

- 9.1. Upon approval of this Scheme, the paid-up share capital of the Company will be reduced as set out in the previous paragraph. There will be no change to the authorised share capital of the Company.

PART IV
GENERAL CLAUSES AND OTHER TERMS AND CONDITIONS

10. CONDITIONALITY OF THE SCHEME:

10.1. The Scheme is conditional upon and subject to:

10.1.1. The Scheme being approved and agreed by the respective requisite majority of shareholders of the Company as required under the Act;

10.1.2. Receipt of requisite sanctions and approvals under applicable laws, including but not limited to approvals and sanctions required under the SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

10.1.3. The Scheme being approved by the NCLT under Section 66 of the Act read with Section 52 of the Act, the Rules and other applicable provisions of the Act (to the extent applicable);

10.1.4. The certified copy of the above order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Delhi and Haryana.

10.1.5. Any other sanction or approval of the appropriate authorities concerned, that may be considered necessary and appropriate by the Board of Directors of the Company being obtained and granted in respect of any of the matter for which such sanction or approval is required.

11. COSTS, CHARGES AND EXPENSES:

11.1. All past, present and future costs, charges, levies, duties and

expenses in relation to or in connection with or incidental to the Scheme and of carrying out and implementing/ complementing thereof shall be borne and paid solely by the Company and all the above costs shall be treated as costs relating to the Scheme.

12. IMPACT OF THE SCHEME ON EMPLOYEES AND WORKMEN:

- 12.1. The Scheme shall not have any adverse impact on the employees and workers of the Company in any manner and their service shall be continuous and they will continue to enjoy the same benefits as they use to do before the Capital Reduction.

13. IMPACT OF THE SCHEME ON CREDITORS/ BANKS/ FINANCIAL INSTITUTIONS:

- 13.1. The proposed Capital Reduction would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or pay the debts in the ordinary course of business. The above proposal, does not in any manner, alter, vary, or affect the rights of the creditors/ banks/ financial institutions.

- 13.2. The proposed Capital Reduction in any manner whatsoever, does not, alter, vary, or affect the payment of any types of dues or outstanding amounts including all or any of the statutory dues payable or outstanding.

14. CONDUCT OF BUSINESS BY THE COMPANY:

- 14.1. The Scheme would not affect the ability or liquidity of the Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Company during the course or after the approval of reduction of capital, rather will save

the Company and its shareholders from the unreported and unforeseen uncertainties and liabilities which may cause adverse effects not only to the business of the Company but also its reputation.

15. LEGAL PROCEEDINGS:

- 15.1. The Scheme does not affect any legal proceeding by or against the Company apart from the proceedings pertaining to the SPA and Settlement Agreement, which are required to be withdrawn in terms of the Settlement Agreement.

16. APPLICATION TO THE NCLT:

- 16.1. This involves reduction of share capital and reduction in Securities Premium Account as contemplated by the Articles of Association of the Company and approvals of the Hon'ble National Company Law Tribunal, Delhi under Section 66 of the Act read with Section 52 of the Act, the Rules and other applicable provisions of the Act (to the extent applicable) to be sought as a measure of legal compliance, transparency, prudence and extra caution.

17. MODIFICATIONS/ AMENDMENTS OF THE SCHEME:

- 17.1. The Company, by its Board or such other Committee/ person or persons, as the Board may authorize, may make, or affect or assent to any modification or amendment of the Scheme which the Hon'ble National Company Law Tribunal, Delhi Bench and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable by the Board for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected herewith, as may be considered by the Board to be in the best interest of the Company

and its members including the withdrawal of the Scheme, and do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme.

- 17.2. For the purpose of giving effect to the Scheme or to any modification thereof, the Board of Directors of the Company, are authorised 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

18. DATE OF TAKING EFFECT:

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

19. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTIONS:

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

20. SEVERABILITY:

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

21. DESIGNATED STOCK EXCHANGE:

21.1. The designated stock exchange for interaction with SEBI in terms of the SEBI Circular will be the BSE.

22. ACCOUNTING TREATMENT:

22.1. The Company shall pass appropriate entries as per the applicable accounting policies and accounting standards as regards accounting for the Capital Reduction along with reduction of Securities Premium Account. Further, in order to give effect to the Settlement Agreement, the management of Company has taken adequate steps to transfer the shares of SSPL to the SSPL Shareholders in its entirety and as on date of this Scheme, the investment in form of entire paid-up share capital of SSPL held by the Company has ceased to exist. Accordingly, SSPL will no longer be considered as a wholly owned subsidiary of the Company and the consolidated balance sheet of the Company will not include the details of investment held by the Company in SSPL and other required details related to SSPL.

23. CANCELLATION OF SHARES:

23.1. Upon this Scheme becoming effective:

23.1.1. All the SSPL Shareholders who were issued the equity shares of the Company shall cease to be shareholders of the Company and the share certificates/ISIN held by them corresponding to the SSPL Shareholders' Shares will be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value and shall be non-usable and non-tradable on any stock exchange or otherwise on and from the Effective Date.

23.2. Since the shares are held in dematerialized and electronic form, the required procedure for reflecting the cancellation of SSPL Shareholders' Shares issued to SSPL Shareholders, shall be adopted for making necessary alterations in the depository accounts of the SSPL Shareholders.

24. LISTING OF SHARES:

24.1. Notwithstanding the Capital Reduction in pursuance of the Scheme, the listing benefit of the Company on the Stock Exchanges where the existing equity shares are listed shall continue and the Company will comply with the applicable provisions of securities law.

25. FORM OF MINUTE UNDER SECTION 66(5) OF THE ACT:

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

"The issued, subscribed and paid-up capital of Vikas Ecotech Limited is henceforth Rs.1,38,83,56,024 (Rupees one hundred thirty eight crores eighty three lakhs fifty six thousand and twenty

four only) divided into 1,38,83,56,024 (One hundred thirty eight crores eighty three lakhs fifty six thousand and twenty four only) Equity Shares of Re.1 each."

SCHEDULE 1

SSPL Shareholders

Sr. No	Name of the SSPL Shareholders	No. of Shares allotted by Company under the SPA (SSPL Shareholders' Shares)
1.	J B Rolling Mills Limited	73,912,000
2.	J B Ispat Private Limited	37,050,000
3.	JRM Steels Private Limited	34,050,000
4.	Nikita Papers Limited	25,000,000
5.	Alliance Farms and Agriculture Ltd	17,500,000
6.	Aditya Industries	17,500,000
7.	Ambica Alloys	17,500,000
8.	Ashok Kumar Bansal	31,700,000
9.	Mithlesh Rani Bansal	27,800,000
10.	Sudhir Kumar Bansal	24,900,000
11.	Jai Pal Jain	10,660,000
12.	Surinder Kumar Jain	10,117,000
13.	Ayush Bansal	9,500,000
14.	Abhinav A Bansal	9,000,000
15.	Sandhya Bansal	6,000,000
16.	Antara Rakesh	5,000,000
17.	Riha Bansal	5,000,000
18.	Neera Bansal	5,000,000
19.	Suruchi Mittal	5,000,000
20.	Alka Jain	2,036,000
21.	Sandeep Jain	1,669,000
22.	Jagdish Parshad Jain	1,286,000
23.	Sanjay Jain	1,236,000
24.	Ajay Jain	474,000
25.	Kamla Devi Jain	436,000

Sr. No	Name of the SSPL Shareholders	No. of Shares allotted by Company under the SPA (SSPL Shareholders' Shares)
26.	Kavita Jain	286,000
27.	Meenakshi Jain	286,000
28.	Neeta Jain	236,000
29.	Narender Kumar Jain	36,000
30.	Bijender Jain	36,000
31.	Alka Jain	36,000
32.	Rakhi Jain	36,000
33.	Bimla Devi	36,000
34.	Manish Jain	36,000
	Total	380,350,000