

APM INDUSTRIES LIMITED
REGISTERED OFFICE: SP-147, RIICO INDUSTRIAL AREA, BHIWADI – 301019, Rajasthan
Corporate Identity Number (CIN): L21015RJ1973PLC015819
PHONE: (01493)- 662400, (011) 2644105-17; FAX: (01493)-662413 , (011) 26441018
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NOTICE OF NCLT CONVENED MEETING

OF

THE UNSECURED CREDITORS

OF

APM INDUSTRIES LIMITED
*(Convened pursuant to the order of the Hon'ble National Company Law Tribunal – Jaipur Bench,
dated 26th October, 2018)*

MEETING

Date	8 th December, 2018
Day	Saturday
Time	3:30 Noon
Venue	COUNTRY INN & SUITES BY RADISSON, Plot No. 4, Sohna Road, Bhagat Singh Colony, U.I.T. Bhiwadi, Rajasthan – 301 019

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BEFORE NATIONAL COMPANY LAW TRIBUNAL – JAIPUR BENCH
COMPANY APPLICATION NO. CA (CAA) 33/230-232/JPR/2018 of 2018

IN THE MATTER OF
Companies Act, 2013
Section 230 and 232 of Companies Act, 2013

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT OF:
APM Industries Limited
Having its registered office at:
SP - 147, RIICO Industrial Area,
Bhiwadi, Rajasthan – 301 019

DEMERGED COMPANY
(APPLICANT COMPANY 1)

AND

APM Finvest Limited
Having its registered office at:
SP-147, RIICO Industrial Area,
Bhiwadi, Rajasthan - 301019

RESULTING COMPANY
(APPLICANT COMPANY 2)

AND

Their respective shareholders and creditors

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF APM INDUSTRIES LIMITED,
PURSUANT TO THE ORDER DATED 26th OCTOBER, 2018 BY HON'BLE NATIONAL COMPANY LAW
TRIBUNAL, JAIPUR – BENCH

To,

The Unsecured Creditors of APM Industries Limited ('the Company')

Notice is hereby given that by an order dated 26th day of October, 2018, the Jaipur Bench of the National Company Law Tribunal has directed a meeting to be held of **unsecured creditors of the Company** for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Arrangement among APM Industries Limited (hereinafter referred to as 'AIL' or 'Demerged Company' or 'the Company' or the "Applicant Company No. 1") and APM Finvest Limited (hereinafter referred to as 'AFL' or 'Resulting Company' or the "Applicant Company No. 2") and their respective shareholders and creditors, whereby it is proposed to Demerge the Finance & Investment Undertaking (herein after referred as 'Demerged Undertaking') of the Demerged Company and subsequently amalgamate with and into its wholly owned subsidiary, the Resulting Company as a going concern in accordance with the provisions of Section 230-232 of the Companies Act, 2013 ("the Scheme").

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of unsecured creditors of the Company will be held at **COUNTRY INN & SUITES BY RADISSON, Plot No. 4, Sohna Road, Bhagat Singh Colony, U.I.T. Bhiwadi, Rajasthan – 301 019** on **Saturday, the 8th day of December, 2018 at 3:30noon** at which time and place the said unsecured creditors are requested to attend.

Copies of the aforesaid Scheme of Arrangement and of the statement under Section 230 of the Companies Act, 2013 read with Rule 6(3) of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 can be obtained free of charge at the registered office of the Company. Persons entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Company at SP-147, RIICO Industrial Area, Bhiwadi, Rajasthan - 301 019 or at Corporate office situated at 910 Chiranjiv Tower, 43- Nehru Place, New Delhi – 110019, not later than 48 hours before the meeting.

The notice convening the Meeting along with the requisite documents is placed on the website of the company viz. www.apmindustries.co.in and is being sent to Securities and Exchange Board of India and BSE Limited. The proxy form is annexed along with this notice and can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office or corporate office of the Company and also from the website of the Company.

The Tribunal has appointed Mr. Amol Vyas (Advocate) as a Chairperson and failing him, Mr. Deepak Arora (Practicing Company Secretary) as the Alternate Chairperson of the said meeting. The abovementioned arrangement, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

The Scrutinizer will submit his report to the designate Chairperson upon completion of scrutiny, in a fair and transparent manner, of voting at the venue on or before Monday, 10th December, 2018. The Chairperson shall be responsible to report the result of the meeting to the Tribunal in Form No. CAA 4, as per Rule 14 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 within 07 days of the conclusion of the meeting.

The Result will also be displayed at the notice board at Registered Office of the company and posted on the Company's website, besides communicating the same to the BSE Limited.

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 Section 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactments thereof for the time being in force, and subject to the relevant provisions of the Memorandum & Articles of Association of the Company and subject to the approval of National Company Law Tribunal, Jaipur Bench ("Tribunal") and subject to such requisite approvals of the concerned Stock Exchanges in accordance with the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India or any other relevant authority from time to time to the extent applicable and subject to such approvals, consents, permissions and sanctions of the appropriate authorities as may be necessary/required and subject to such conditions as may be prescribed, directed or made by any of them while granting such approvals, consents and permissions, and further based on Share Entitlement Report dated January 8, 2018 from M/s Bansal Abinav & Co., Chartered Accountants, Fairness Opinion dated January 9, 2018 from Finshore

Management Services Limited, Merchant Banker and Certificate dated January 11, 2018 in accordance with Regulation 37 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 obtained from M/s Chaturvedi & Partners, Statutory Auditors, regarding the accounting treatment being followed in the Scheme is in compliance with all the applicable Accounting Standards and on the recommendation of the Audit Committee and other relevant documents placed before it, the consent and approval of the Unsecured Creditors be and is hereby accorded for the Demerger of Finance & Investment Undertaking of APM Industries Limited ("Demerged Company") into APM Finvest Limited ("Resulting Company") with 1st April, 2018 as the Appointed Date.

RESOLVED FURTHER THAT the Board of Directors of the Company 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 modification(s), amendment(s), limitation(s) and/or condition(s), if any, which may be required and/or imposed by the Tribunal, 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, doubts or difficulties that may arise in giving effect to the Scheme, 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 Board of Directors of the Demerged Company and Resulting Company have considered the draft Scheme of Arrangement at their respective board meetings held on **11th January, 2018**.

Place: Jaipur

For and on Behalf of APM INDUSTRIES LIMITED

Date: 01.11.2018

Sd/-

AMOL VYAS

Chairman appointed for the Meeting

E – 708, Ground Floor, Nakul Path, Lalkothi Scheme,
Jaipur, Rajasthan

NOTES:

1. *ONLY THE UNSECURED CREDITORS OF THE COMPANY MAY ATTEND AND VOTE, EITHER IN PERSON OR BY PROXY (A PROXY NEED NOT BE ANOTHER UNSECURED CREDITOR OF THE COMPANY AND PROXY WILL ALSO BE COUNTED AS THE QUORUM FOR THE MEETING), OR IN THE CASE OF A BODY CORPORATE, BY A REPRESENTATIVE AUTHORISED BY WAY OF A BOARD RESOLUTION TO ATTEND AND VOTE AT THE MEETING OF THE UNSECURED CREDITORS OF THE COMPANY. PROXIES TO BE VALID AND EFFECTIVE SHOULD BE IN A PRESCRIBED FORM OF PROXY, DULY COMPLETED, STAMPED AND SIGNED OR AUTHENTICATED BY THE CONCERNED UNSECURED CREDITOR AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 (FORTY EIGHT) HOURS BEFORE THE SCHEDULED TIME OF COMMENCEMENT OF THE MEETING OF THE UNSECURED CREDITORS OF THE COMPANY.*

2. The Authorised Representative of a Body Corporate which is a unsecured creditor shall bring and handover a copy of the resolution of the body corporate authorizing such representative to attend and vote at the meeting of unsecured creditors of the company duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate, at the venue of the meeting.
3. The form of proxy can be obtained free of charge on any day (except Saturday, Sunday and public holidays) at the registered office of the Company at SP-147, RIICO Industrial Area, Bhiwadi Rajasthan – 301 019 or from the Corporate Office situated at 910 Chiranjiv Tower, 43- Nehru Place, New Delhi – 110019, during business hours (viz. between 10:00 a.m. to 5:00 p.m.). A copy of proxy form is enclosed with the notice and available at the website of the Company..
4. All alterations made in the form of proxy should be initialed. Incomplete unsigned, improperly or incorrectly completed proxy forms may be rejected by the Scrutinizer.
5. Tribunal by its order dated 26th October, 2018 has directed that a meeting of the unsecured creditors of the Company shall be convened to be held on Saturday, 8th December, 2018 at 3:30 noon at COUNTRY INN & SUITES BY RADISSON, Plot No. 4, Sohna Road, Bhagat Singh Colony, U.I.T. Bhiwadi, Rajasthan – 301 019 for the purpose of considering, and if thought fit, approving, with or without modification (s), the arrangement embodied in the scheme.
6. The Quorum of the meeting of unsecured creditors of demerged company shall be 25% in number and in value terms.
7. The Unsecured Creditors or proxy or authorised representative attending the meeting is requested to bring and hand over the Attendance Slip, duly completed and signed, for admission to the Meeting Hall, accompanied by valid identity proof with photograph, issued by a statutory authority. No copy of the Attendance Slip shall be submitted to the Company or be liable to be furnished by the Company. A proxy attending the meeting is requested to carry a copy of the deposited Form of Proxy along with the supporting documents duly authenticated.
8. The Notice, together with the documents accompanying the Notice, is being sent to all the unsecured creditors either by the courier or by e-mail, who are standing in the books of accounts of the Company as unsecured creditors as at 31st May, 2018. The Notice will also be displayed on the website of the Company, <http://apmindustries.co.in/> and will be sent to Securities and Exchange Board of India and BSE Limited.
9. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured Creditors at the registered office of the Company between 10:00 a.m. to 5:00 p.m. on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
10. Mr. Susshil Daga, Company Secretary (Advocate) has been appointed as the Scrutinizer to conduct the voting, at the venue of the meeting, in fair and transparent manner.

11. The scrutinizer will submit his report to the Chairperson of the meeting after completion of scrutiny of the votes cast by the creditors through ballot paper at the venue of the meeting. Incomplete, unsigned, improperly or incorrectly completed ballot papers may be rejected by the Scrutinizer. The Scrutinizer's decision on the validity of the vote(s) cast shall be final. The results of the votes cast through ballot paper at the venue of the meeting will be announced simultaneously, upon receiving the scrutinizer report on or before Monday, 10th December, 2018, and the results together with the Report will be displayed at the registered office of the Company, and on the website of the Company, <http://apmindustries.co.in/> besides communicating the same to BSE Limited.
12. The Notice convening the aforesaid meeting will be published through advertisement in (i) '*Times of India*' (Jaipur edition) in English Language, and (ii) Danik Navjyoti (Jaipur edition) in Vernacular language.
13. 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 unsecured creditor would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Demerged Company.
14. In accordance with the provisions of Section 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the unsecured creditors of the Demerged Company, voting in person or by proxy or e voting agree to the Scheme.
15. The Unsecured Creditors are ascertained as on the cut-off date viz. 31st May, 2018.
16. The Voting rights of the unsecured creditors shall be in proportion to the outstanding amount due by the Demerged Company as on 31st May, 2018
17. A route map to the venue of meeting along with prominent landmark for easy location is enclosed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 230 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF APM INDUSTRIES LIMITED, PURSUANT TO THE ORDER DATED 26th OCTOBER, 2018 BY HON'BLE NATIONAL COMPANY LAW TRIBUNAL, JAIPUR – BENCH

I. OVERVIEW

1. This Statement is being furnished as required under Section 230 (3) and Section 102 of the Companies Act, 2013 ("The Act") read with Rule 6 (3) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
2. Pursuant to the Order dated 26th October, 2018 w.r.t. COMPANY APPLICATION NO. CA (CAA) 33/230-232/JPR/2018 of 2018, the Jaipur Bench of the National Company Law Tribunal has directed a meeting to be held, of the unsecured creditors of APM Industries Limited at Country Inn & Suites by Radisson, Plot no. 4, Sohna Road, Bhagat Singh Colony, U.I.T., Bhiwadi, Rajasthan – 301019 on Saturday, 8th December, 2018, at 03:30 noon, for the purpose of considering, and if thought fit, approving with or without modification, the arrangement proposed to be made among APM Industries Limited and its wholly owned subsidiary APM Finvest Limited, and their respective shareholders and creditors.
3. Under the scheme, it is proposed that 'Finance & Investment Undertaking of APM Industries Limited shall be demerged and subsequently amalgamate with and into APM Finvest Limited, pursuant to the provisions of Sections 230-232 and other applicable provisions of the Act.
4. The terms used herein, but not defined, shall have the meaning assigned to them in the Scheme, unless otherwise stated. APM INDUSTRIES LIMITED (hereinafter referred as "Demerged Company" or "the Company" or "AIL" or "Applicant Company No. 1) and APM FINVEST LIMITED (hereinafter referred to as "Resulting Company" or "AFL" or "Applicant Company No. 2"). The Applicant Company No. – 1 / Demerged Company and Applicant Company No. – 2 / Resulting Company are collectively hereinafter referred to as the "Applicant Companies".
5. A copy of the Scheme, setting out the terms and conditions of the arrangement, *is annexed herewith and marked as Annexure-1.*
6. In terms of the said Order, the quorum for the Meeting of the unsecured creditors of the Company shall be 25% in number and in value terms.

As per the order of Hon'ble National Company Law Tribunal, Jaipur Bench, in case the quorum are not present at the meeting, then the meeting shall be adjourned by half an hour, and thereafter the persons present and voting shall be deemed to constitute the quorum.

II. RELATIONSHIP AMONG COMPANIES WHO ARE PARTIES TO THE SCHEME

APM Industries Limited and APM Finvest Limited shares a holding – subsidiary relationship, where 100% shares of the resulting company is held by the demerged Company, thereby making it a wholly owned subsidiary company of the demerged Company.

III. BACKGROUND OF THE COMPANIES INVOLVED IN PROPOSED ARRANGEMENT:

➤ APM INDUSTRIES LIMITED (*Demerged Company or AIL*)

1. **APM Industries Limited**, the Demerged Company is a public listed Company bearing CIN: L21015RJ1973PLC015819 which was originally incorporated as "Ajay Paper Mills Private Limited" on 21st September, 1973 in accordance with the provisions of the Companies Act, 1956. The Company, thereafter, got converted into a public limited company on 15th December, 1976 and consequently the name was changed to "Ajay Paper Mills Limited". The name of the Company was again changed to its present name "APM Industries Limited" on 19th April, 1990. The registered office of the Demerged Company ('AIL') is situated at SP-147, RIICO Industrial Area, Bhiwadi, Rajasthan - 301 019 and the email addresses of the Company are bhiwadi@apmindustries.ci.in and delhi@apmindustries.co.in. Demerged company along with its nominee holds 100% of the paid up equity share capital of the Resulting Company.
2. The Permanent Account Number of Demerged Company is AACCA5114G
3. The equity shares of the Company are listed on **BSE LIMITED** (hereinafter referred to as '**BSE**'), a recognized stock exchange.
4. The Company has altered its main objects on **22nd August, 2017**, with a view to expand the business operations of the Company. The Company was quiet active when it comes to investing in various shares, securities, mutual funds etc. from time to time from last many years. The Board of Directors wished to insert a full-fledged clause w.r.t. finance and investment business in its main object clause of the Memorandum of Association.
5. There has been no change in the name of the Company in last 5 (Five) years.
6. There has been no change in the registered office of the Company in last 5 (Five) years.
7. The Company is currently engaged in two distinct and diverse business activities through the following business undertaking, namely –
 - a) Yarn manufacturing undertaking – manufacturing of synthetic blended (polyester, viscose & acrylic) yarn. Yarn manufacturing business undertaking here in after may also be referred as the Core Business of the Company.
 - b) Finance & Investment Undertaking- Finance & Investment business that includes investment in shares and other securities of companies and granting of loans and advances.

8. The summary of main objects of the Demerged Company, as set out in the Memorandum of Association are as follows:
- (ii) To carry on business as manufacturers, dealers, importers, exporters, stockists, agents, contractors, distributors, buyers, or sellers, of all kinds and classes of papers , boards, hardboard, plywood boards and packages, boxes, wrappers, tapes, and other packing materials, made of paper, card board, corrugated board, timber, teak, plywood, plastic, P.V.C. or other synthetic chemicals or natural products and all kinds or articles in manufacture of which, wood, plywood, bamboo, any or all type of plastics materials or allied products in any form are used and to deal in or manufacture any other or things of a character similar or analogous to the forgoing.
 - (iii) To carry on the business as traders, dealers, wholesalers, retailers, makers, designers, combers, sources, spinners, weavers, finishers, dyers and manufacturers of readymade garments, yarns, and fabrics of wool, cotton, jute, silk, rayon, nylon, terylene and other natural synthetic and/ or fibrous substances and/ or manufacturers of materials from the waste realized from the above mentioned products either on its own accounts or on commission and to carry on the business as drapers and dealers or furnishing fabrics in all its branches, as customers, readymade dress and mantel makers, silk mercers, makers and suppliers of clothing, lingerie and timings of every kind, furriers, drapers, haberdashers, milliners, hosiery, gloves, lace makers, feathers, dressers, felt maker, dealers in and manufacturers of yarns, fabrics and also to manufacture, deal in or process natural starch and other sizing materials, dyestuff, synthetic or chemical substances, of all kinds and compounds and other substances, of all kinds and compounds and other substances either basic or intermediate required for the above mentioned product or products.
 - (iv) To act as holding Company and to invest either directly or through subsidiary(ies), associate(s) or group companies, the capital or other funds of the Company in the purchase of acquisition of or rights in moveable and immoveable property, share and securities, to use the capital, funds and assets of the Company as security for borrowing and the acquisition of or rights in moveable or immoveable property, or shares, stocks, debentures, debenture stock, bonds, mortgages, obligations, securities and to arrange or provide financing facilities.
9. The Details of the Capital Structure of the Company, as on **26th October, 2018**, stating authorised share capital, issued share capital and Subscribed and Paid up Capital of the Company, is as follows:

Particulars	Amount (in Rs.)
Authorized Share Capital	
35,000,000 Equity Shares of Rs.2/-each	70,000,000.00
3,00,000 Redeemable Preference Shares of Rs. 100/-each	30,000,000.00
Total	100,000,000.00
Issued Share Capital:	
22,217,080 Equity Shares of Rs.2/-each	44,434,160.00
Subscribed and Paid up Share Capital :	
21,611,360 Equity Shares of Rs. 2/- each	43,222,720.00

10. The details of Promoters and Directors of the Company as on 26th October, 2018 are as follows:

DETAILS OF PROMOTERS OF APM INDUSTRIES LIMITED

SR. NO.	NAMES OF PROMOTERS	ADDRESS
1.	Rajendra Kumar Rajgarhia	W-13 Greater Kailash-II, New Delhi – 110048
2.	Ajay Rajgarhia	W-13, Greater Kailash PART-II, New Delhi-110048
3.	Prabha Rajgarhia	W-13, Greater Kailash PART-II, New Delhi-110048
4.	Shri Gopal Rajgarhia	33/1 Friends Colony (EAST) New Delhi-110065
5.	Anisha Mittal	A - 39, Third Floor Friends Colony East, New Delhi - 110065
6.	Bhavna Rajgarhia	33/1, Friends Colony (East), New Delhi – 110065
7.	Sanjay Rajgarhia	177-C Western Avenue Sainik Farms New Delhi- 110062
8.	Aditi Rajgarhia	177-C Western Avenue Sainik Farms New Delhi- 110062
9.	Pooja Rajgarhia	177-C Western Avenue Sainik Farms New Delhi- 110062
10.	Faridabad Paper Mills Private Limited	2 Brabourne Road, Kolkata, West Bengal – 700001
11.	Rajgarhia Leasing and Financial Services Private Limited	2 Brabourne Road, 5 th Floor, Kolkata, West Bengal – 700001
12.	Essvee Fiiscal LLP	2 Brabourne Road, Kolkata, West Bengal – 700001
13.	Anya Rajgharia Foundation	910 Chiranjiv Tower, 43- Nehru Place, New Delhi - 110019
14.	Kabir Rajgharia Foundation	910 Chiranjiv Tower, 43- Nehru Place, New Delhi - 110019
15.	RKR Foundation	W-13, Greater Kailash PART-II, New Delhi-110048

DETAILS OF DIRECTORS OF APM INDUSTRIES LIMITED

SR. NO.	NAMES OF DIRECTORS	ADDRESS
1.	Hari Ram Sharma	A 132, Bhagat Singh Colony, Bhiwadi 301019, Rajasthan
2.	Khushi Ram Gupta	A-68, Mira Bagh, New Delhi- 110087
3.	Rajendra Kumar Rajgarhia	W-13 Greater Kailash-II, New Delhi – 110048
4.	Shri Gopal Rajgarhia	33/1 Friends Colony, New Delhi-110065
5.	Ram Ratan Bagri	177-C, Western Avenue Lane W-7, Sainik Farms New Delhi-110062
6.	Uma Hada	20, Raja Santosh Road PO - Alipore Kolkata - 700027, West Bengal

➤ **APM FINVEST LIMITED (Resulting Company or AFL)**

1. **APM Finvest Limited**, the Resulting Company is a public limited company bearing CIN: U65990RJ2016PLC054921. It was incorporated on 13th May, 2016 under the provisions of the Companies Act, 2013 and presently having its registered office at SP-147, RIICO Industrial Area Bhiwadi, Alwar, Rajasthan - 301 019. The Resulting Company is wholly owned subsidiary of the Demerged Company ('AIL'). The Resulting Company is registered with Reserve Bank of India (RBI) as Non-deposit accepting Non-Banking Financial Company. The email address of APM Finvest Limited is apmfinvestltd@gmail.com. The Resulting Company is the wholly owned subsidiary of the Demerged Company.
2. The Permanent Account Number of Resulting Company is AAOCA3945K
3. The shares of the Resulting Company are not listed on any Stock Exchange, thereby the Resulting Company is an unlisted public Company.
4. There was no change in the name, registered office situation and objects of the Company since incorporation i.e. 13th May, 2016.
5. The Resulting Company is mainly carrying on Finance & Investment business that includes investment in shares and other securities of companies and granting of loans and advances.
6. The summary of main objects of the Resulting Company as set out in the Memorandum of Association are as follows :-
 - (i) To carry on the business of investment company and to invest in and acquire, hold or otherwise, dispose of exchange, transfer or alienate any share, stocks, debentures, debenture stock, bonds, obligation and securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture Stock, bonds, obligations and securities issued or guaranteed by any government, State dominion, Sovereign rules, commissioner, public body or authority supreme, municipal local or otherwise where in India or elsewhere.
 - (ii) To carry on the business of financing and advancing short term and long term loans and credits of any type including business loans, loan against property, housing finance, home loans, personal loans, loan against Diamond jewellery, Diamonds or other precious or semi-precious jewellery or stones etc., loan against Gold jewellery, Gold ornaments, Gold/silverware articles, precious watches, art & artifacts, paintings and similar items to individuals, firms, companies or association of individuals by whatever name called and either on securities such as lands, building or part thereof, machinery, gold, plants, chattels, vehicles, shares, debentures, government securities, stock certificates, life insurance policies and unit stock-in-trade or on guarantee or without securities.

- (iii) To lend and advance money of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including, without prejudice to the generality of the foregoing, any holding company, subsidiary or fellow subsidiary of , or any other company whether or not associated in any way with, the company), bill discounting & to enter into guarantees, contracts of indemnity and surety ship of all kinds, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (Including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of , or any other company associated in any way with the company).
- (iv) To carry on the business of financing the hire purchase transactions, in all its branches in respect of motor vehicles, motor cycles, cycles, agricultural machinery, aero planes, launches, boat, mechanical or otherwise, appliances, refrigerator, furniture wooden or metallic, household equipments and all classes of plant and Machinery, Construction equipment, Materials Handling equipment.

7. The Details of the Capital Structure of the Resulting Company, as on **26th October, 2018** , stating authorised share capital, Issued Share capital and Subscribed and Paid up Capital of the Resulting Company, is as follows:

Particulars	Amount (in Rs.)
Authorized Share Capital 100,00,000 Equity Shares of Rs.2/- each	20,000,000.00
Total	20,000,000.00
Issued, Subscribed and Paid Up Share Capital: 100,00,000 Equity shares of Rs.2/-each	20,000,000.00

8. The details of Promoters and Directors of the Resulting Company as on **26th October, 2018** are as follows:

DETAILS OF PROMOTERS OF APM FINVEST LIMITED

SR. NO.	NAMES OF PROMOTERS	ADDRESS
1.	APM Industries Limited	SP-147, RIICO Industrial Area, Bhiwadi Rajasthan-301019
2.	Rajendra Kumar Rajgarhia	W-13, Greater Kailash PART-II, New Delhi-110048
3.	Prabha Rajgarhia	W-13, Greater Kailash PART-II, New Delhi-110048
4.	Shri Gopal Rajgarhia	33/1 Friends Colony (EAST) New Delhi-110065
5.	Sanjay Rajgarhia	177-C Western Avenue Sainik Farms New Delhi-110062
6.	Pooja Rajgarhia	177-C Western Avenue Sainik Farms New Delhi-110062
7.	Ajay Rajgarhia	W-13, Greater Kailash PART-II, New Delhi-110048

DETAILS OF DIRECTORS OF APM FINVEST LIMITED

SR. NO.	NAMES OF DIRECTORS	ADDRESS
1.	Anisha Mittal	A - 39, Third Floor Friends Colony East, NEW DELHI - 110065
2.	Sanjay Rajgarhia	177-C Western Avenue, Sainik Farms New Delhi-110062
3.	Ajay Rajgarhia	W-13, Greater Kailash PART-II, New Delhi-110048

IV. CORPORATE APPROVALS:

1. The Audit Committee of APM Industries Limited, Demerged Company it their meeting held on 11th January, 2018 has considered and approved the ***Share Entitlement Ratio Report (Valuation Report)*** issued by *M/s Bansal Abhinav & Co., Chartered Accountants dated 8th January, 2018, Fairness Opinion* on Share Entitlement Ratio Report on the Scheme dated 9th January, 2018 issued by M/s Finshore Management Services Limited (A SEBI Registered [Category – 1] Merchant Banker) and ***Certificate*** from *M/s Chaturvedi & Partners, Chartered Accountants, Statutory Auditors of the Company* confirming the accounting treatment mentioned in the scheme of arrangement is in compliance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 *are annexed herewith and marked as Annexure – 2, Annexure – 3 and Annexure – 4.*
2. The Board of Directors of the Companies involved in the Scheme have passed a resolution approving the Scheme, at their respective meetings held, as per the below details:

SR. NO.	NAME OF THE COMPANY	DATE OF BOARD MEETING
1.	APM INDUSTRIES LIMITED (Demerged Company, Applicant No. 1)	11 th January, 2018
2.	APM FINVEST LIMITED (Resulting Company, Applicant No. 2)	11, January, 2018

The Board Meeting of Demerged Company/ Applicant Co. No. 1 held on 11th January, 2018 has been attended by Mr. Rajendra Kumar Rajgarhia (DIN: 00141766); Mr. Shri Gopal Rajgarhia (DIN: 00002245); Ms. Khushi Ram Gupta (DIN: 00027295); Mr. Hari Ram Sharma (DIN: 00178632) and Mr. Ram Ratan Bagri (DIN: 00275313). None of the Directors who attended the Meeting has voted against the Scheme. Thus, the scheme was approved unanimously by the directors who attended and voted at the meeting.

Further, the Board Meeting of Resulting Company/ Applicant Company No. 2 held on 11th January, 2018 has been attended by Ms. Anisha Mittal (DIN: 00002252), Mr. Sanjay Rajgarhia (DIN: 00154167) and Mr. Ajay Rajgarhia (DIN: 01065833). None of the Directors who attended the Meeting has voted against the Scheme. Thus, the scheme was approved unanimously by the directors who attended and voted at the meeting.

V. DESCRIPTION OF THE SCHEME

1. The Scheme of arrangement is offered among APM INDUSTRIES LIMITED (Demerged Company) and APM FINVEST LIMITED (Resulting Company) and their respective shareholders and creditors.
2. Further, the Scheme of Arrangement is presented under the provisions of Section 230 -232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 as may be applicable read with applicable rules of Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 for the demerger of Finance and Investment Undertaking of APM INDUSTRIES LIMITED and subsequent amalgamation with its wholly owned subsidiary APM FINVEST LIMITED.
3. The appointed date, effective date and share exchange ratio as pronounced in the Scheme are stated below:
 - **APPOINTED DATE:** Means 1st April, 2018 or such other date as may be decided by the Board of Directors of the Demerged Company and The Resulting Company with the consent as per the direction by the Tribunal.
 - **EFFECTIVE DATE:** Means the date on which the last of the conditions mentioned in Clause 3 of Part E of the Scheme is fulfilled. References in this Scheme to the date of "Upon the Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date.
 - **SHARE EXCHABGE RATIO:** For every 1 (one) Equity Shares of face value of Rs. 2/- (Rupees Two only) each held in APM Industries Limited (i.e. Demerged Company/AIL) as on the record date, the equity shareholders of APM Industries Limited (i.e. Demerged Company) shall be issued 1 (One) Equity Shares of face value of Rs.2/- (Rupees Two only) each credited as fully-paid up in APM Finvest Limited (i.e. Resulting Company).

4. RATIONALE AND BENFITS FOR THE ARRAANGEMENT:

The arrangement is aimed at demerger of "Finance & Investments undertaking" (defined hereinafter) of AIL into AFL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for AIL and AFL:

- (i) Each of the business activities being carried out by the AIL is distinct and diverse in its business characteristics. Both the businesses are entirely unrelated and at different stages of maturity with different risk and return profiles and capital and operational requirements. The management of the Demerged Company believes that there may be a segment of investors who may wish to have a choice of investing in either of the categories of businesses being undertaken by the company.
- (ii) Pursuant to the proposed demerger, the Demerged Undertaking and the Remaining Business would have their own management teams which can chart out independent strategies for each business segment. Further, the proposed demerger would also open avenues for resizing and inorganic growth opportunities for the businesses, provide multiple listing avenues, along with creating opportunity for shareholders to participate in business of choice and reposition the businesses in their respective market segments, thereby creating opportunities for value creation for the respective stakeholders.

- (iii) The demerger will permit increased focus by AIL and AFL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of AFL. The Scheme would be in the best interest of all stakeholders in AIL.

The transfer and vesting of the Finance & Investment Undertaking into AFL would be in the best interests of the shareholders, creditors and employees of AIL and AFL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in operation of the Finance & Investment Undertaking and the remaining business of the AIL. Pursuant to this Scheme all the shareholders of the AIL will get shares in AFL and there would be no change in the economic interest for any of the shareholders of AIL pre and post implementation of the Scheme.

The aforesaid are only the salient features of the Scheme. The unsecured creditors are requested to read the entire text of the Scheme annexed hereto and get fully acquainted with the provisions thereof

VI. STATUTORY/ REGULATORY APPROVALS IN RELATION TO THE SCHEME

1. In Compliance with Regulation 37 of Listing Regulations read with the SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017, the Demerged Company ('AIL') has submitted the scheme of arrangement w.r.t. demerger to BSE Limited ('BSE') on 23rd February, 2018. Further, BSE vide letter no. DCS/AMAL/SD/R37/1198/2018-19 dated 29th June, 2018 has issued its Observation letter regarding draft scheme of arrangement between APM Industries Ltd. and APM Finvest Ltd.

SEBI issued the following observations/comments on the draft scheme of arrangement:

- (i) *Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange from the date of receipt of the observation letter is displayed on the website of the Listed Company.*
- (ii) *Company shall duly comply with various provisions of the circulars.*
- (iii) *Company is advised that the observations of SEBI/Stock Exchange shall be incorporated in the petition to be filed before National Company Law Tribunal (Tribunal) and the Company is obliged to bring the observations to the notice of Tribunal.*
- (iv) *It is to be noted that the petitions are filed by the Company before Tribunal after processing and communication of the 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 the Companies Act, 2013 to SEBI again for its comments/ observations/representations.*

Further, based on aforesaid comments of SEBI, BSE give the following advice:

- 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.

SEBI has also stated that they have no adverse observations with the limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enabling the Company to file the Scheme with Hon'ble Tribunal. 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 10th March, 2017. *[The copy of the observation letter received from BSE bearing no. DCS/AMAL/SD/R37/1198/2018-19 dated 29th June, 2018 is annexed herewith and marked as **Annexure - 5**].*

2. Being a non-deposit accepting Non-Banking Financial Company ('NBFC') APM Finvest Limited, Resulting Company (AFL) came under the purview of the regulations specified in the RBI circular no. RBI/2015-16/122 DNBR (PD) CC. No. 065/03.10.001/2015-16 dated July 09, 2015, wherein a NBFC company is mandatorily required to obtain prior written approval from the Reserve Bank of India wherein there is any change in the shareholding or management of the NBFC Company. As a result of the proposed demerger, there will be an alteration in the total shareholding of the Resulting Company ('AFL'), without any change in the management, necessitating the company to obtain a prior written approval from the Regional office of Reserve Bank of India ('RBI'). Thus, the Resulting Company ('AFL') filed an application to seek prior approval from RBI on 8th March, 2018. Following which, the RBI vide Letter dated 14th May, 2018 has issued written approval regarding change in the shareholding of the Resulting Company ('AFL') as result of the said demerger. *[Certified Copy of the written approval from RBI vide letter dated 14th May, 2018 is annexed herewith and marked as **Annexure – 6**]*
3. The Demerged Company and Resulting Company or anyof them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or othergovernmental authorities in respect of the Scheme inaccordance with law, if so required. The applications alongwith the annexures thereto (which includes the Scheme)were filed with the Tribunal, Jaipur Bench 4th September, 2018.

VII. OTHER DISCLOSURES:

1. Summary of the Valuation Report, including the basis of valuation and Summary of the Fairness Opinion received from SEBI registered Merchant Banker are *annexed herewith and marked as Annexure – 7 and Annexure – 8*.
2. Amount Due to the Unsecured Creditors of the Demerged Company as on **31st May, 2018** is **Rs. 11,04,30,552 (Rupees Eleven Crore Four Lakh Thirty Thousand Five Hundred and Fifty Two)**. The amount due to the Unsecured Creditors of the Resulting Company as on **31st May, 2018** is **NIL**.
3. **Effect of Arrangement on : -**
 - a) The Scheme does not affect the material interests of the Directors or Key Managerial Personnel (KMP) of the Demerged Company and the Resulting Company.
 - b) Upon the Scheme becoming effective, the promoter and non-promoter shareholders of the Demerged Company will be allotted equity shares on a proportionate basis by the Resulting Company as consideration for transfer of Demerged Undertaking. Thus, there is no impact on the interest of the shareholders of the Demerged Company and the Resulting Company.
 - c) There shall be no change in the terms of employment of the employees of the Demerged Company, to their prejudice, and all employees of the Demerged Company shall be deemed to be employees of Resulting Company without any break in service,
 - d) The rights and interest of the creditors of the Demerged Company or Resulting Company will not be adversely affected by the Scheme since there would be no reduction or extinguishment in their claims/interest, and dues, if any, will be paid off in the ordinary course of Business.
 - e) There are no debenture trustee and no depositor or deposit trustee in the Demerged Company and Resulting Company and hence, there is no question of the Scheme affecting their interest.
4. APM Finvest Limited, Resulting Company (AFL) has obtained the Certificate from their statutory auditors Narendra Singhanian & Co. Chartered Accountants having registration no. 087931, confirming that the accounting treatment, proposed in the scheme of arrangement is in compliance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 dated 10th January, 2018 *is annexed herewith and marked as Annexure – 9*.
5. As required by the SEBI Circular, the Demerged Company had filed the complaint report with BSE on 3rd April, 2018. This report indicate that the Demerged Company has received NIL complaints. Copy of the Complaint Report submitted by Demerged Company to BSE dated 3rd April, 2018 *is annexed herewith and marked as Annexure – 10*
6. Report adopted by the Board of Directors of APM Industries Limited pursuant to section 232(2)(c) of the Companies Act, 2013 *is annexed herewith and marked as Annexure – 11*

7. Accounting Statements of APM Industries Limited and APM Finvest Limited for the period ending 30th June, 2018 *is annexed herewith and marked as Annexure – 12*
8. No investigation or proceedings are pending under Sections 235 to 251 of the Companies Act, 1956 or the corresponding provisions of the Companies Act, 2013 against the Demerged Company and against the Resulting Company.
9. No winding up proceedings are pending against the Company.
10. The Copy of the proposed scheme has been filed by the company before the concerned Registrar of Companies on 29th October, 2018

VIII. AVAILABILITY OF DOCUMENTS FOR INSPECTION:

The Following documents will be available for obtaining extract from or making or obtaining copies of or for inspection by the unsecured creditors of the Demerged Company, at the registered office of the Company between 10:00 a.m. to 5:00 pm. on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting, namely:

- (a) Annual Report of the Demerged Company for financial year 2017-2018 including audited financial statement and consolidated financial statement.
- (b) Annual Report of the Resulting Company for financial year 2017-2018 including audited financial statement;
- (c) Copy of Order the Hon'ble National Company Law Tribunal – Jaipur Bench, dated 26th October, 2018, pursuant to which the meeting of Unsecured Creditors and Shareholders of the Demerged Company has been scheduled to be held on 8th December, 2018 and the meeting of secured creditors of the Demerged Company and the Meeting of Shareholders of Resulting Company has been dispensed with.
- (d) Copy of Scheme of Arrangement.
- (e) Certificate from Statutory Auditors of the Companies certifying that the accounting treatment in present scheme of arrangement is in conformity with the Accounting Standard.
- (f) Copy of accounting statement of the Demerged Company and Resulting Company for the period 30th June, 2018.
- (g) Copy of Memorandum and Article of Association of Demerged Company and Resulting Company
- (h) Share Entitlement Ratio Report viz. Valuation Report by M/s Bansal Abhinav & Co., Chartered Accountant dated 8th January, 2018
- (i) Fairness Opinion by M/s Finshore Management Services Limited, SEBI Registered Category -1 Merchant Banker, dated 9th January, 2018

- (j) Complaint report dated 3rd April, 2018 submitted to BSE
- (k) The copy of the observation letter received from BSE bearing no. DCS/AMAL/SD/R37/1198/2018-19 dated 29th June, 2018
- (l) Certified Copy of the written approval from RBI vide letter dated 14th May, 2018
- (m) Copy of Board resolution dated 11th January, 2018 approving the Scheme.
- (n) Report adopted by the Board of Directors of APM Industries Limited pursuant to section 232(2)(c) of the Companies Act, 2013

Place: Jaipur
Date: 01.11.2018

For and on Behalf of APM INDUSTRIES LIMITED

Sd/-
AMOL VYAS
Chairman appointed for the Meeting
E – 708, Ground Floor, Nakul Path, Lalkothi Scheme,
Jaipur, Rajasthan

AMONG

APM INDUSTRIES LIMITED
(DEMERGED COMPANY)

AND

APM FINVEST LIMITED
(RESULTING COMPANY)

AND

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013)

PARTS OF THE SCHEME:

The Scheme of Arrangement is divided into following parts:

1. PART A:

This part of the scheme deals with general provisions used in this scheme including definitions and capital structure of Demerged Company and Resulting Company along with objects and rationale of the scheme;

2. PART B:

This part of the scheme deals with the transfer and vesting of Demerged Undertaking pursuant to the scheme of arrangement.

3. PART C:

This part of the scheme deals with issue of shares by the Resulting Company to the shareholders of the Demerged Company. This part of the Scheme also deals with Accounting Treatment for the demerger in the books of Demerged Company and Resulting Company.

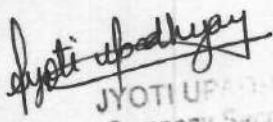
4. PART D :

This part of the scheme deals with the application to Stock Exchange / SEBI, listing of shares issued by the Resulting Company and other provisions.

5. PART E:

This part of the scheme deals with general terms and conditions as applicable to the scheme of arrangement.

For APM INDUSTRIES LIMITED


JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

SCHEME OF ARRANGEMENT

AMONG

APM INDUSTRIES LIMITED
(DEMERGED COMPANY)

AND

APM FINVEST LIMITED
(RESULTING COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

A. An overview of Scheme of Arrangement

This Scheme of Arrangement (the "Scheme") is presented under the provisions of Section 230 -232 of the Companies Act, 2013 ("Act") and other relevant provisions of the Companies Act, 2013 as may be applicable and applicable rules of Companies (Compromises, Arrangements Amalgamations) Rules, 2016 ("Rules") for demerger of Finance & Investment Undertaking (Demerged Undertaking) of APM Industries Limited (Demerged Company) and subsequent amalgamation with its wholly owned subsidiary, APM Finvest Limited (Resulting Company).

This Scheme of Arrangement also provides for various others matter consequential or otherwise integrally connected herewith.


B. Background and Description of Companies

1. APM Industries Limited or 'AIL' or 'Demerged Company' bearing CIN L21015RJ1973PLC015819 was originally incorporated as "Ajay Paper Mills Private Limited" on 21st September, 1973 in accordance with the provisions of the Companies Act, 1956. The Company, thereafter, got converted into a public limited company on 15th December, 1976 and consequently the name was changed to "Ajay Paper Mills Limited". The name of the Company was again changed to its present name "APM Industries Limited" on 19th April, 1990. The registered office of the Demerged Company is situated at SP-147, RIICO Industrial Area, Bhiwadi, Rajasthan - 301 019.

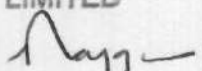
The Company is a widely held listed company having its equity shares listed at 'BSE Limited' (BSE). The Company is currently engaged in two distinct and diverse business activities through the following undertakings, namely -

- a) Yarn manufacturing undertaking - manufacturing of synthetic blended (polyester, viscose & acrylic) yarn. Yarn manufacturing business undertaking here in after may also be referred as the Core Business of the Company.
- b) Finance & Investment Undertaking - Finance & Investment business that includes investment in shares and other securities of companies and granting of loans and advances.

For APM INDUSTRIES LIMITED


JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

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2. APM Finvest Limited or 'AFL' or 'Resulting Company' bearing CIN U65990RJ2016PLC054921 was incorporated as such on 13th May, 2016 in accordance with the provisions of the Companies Act, 2013. The registered office of the Resulting Company is situated at SP-147, RIICO Industrial Area, Bhiwadi, Rajasthan - 301 019. The Company is wholly owned subsidiary of APM Industries Limited (the "Demerged Company").

The Company is registered with Reserve Bank of India (RBI) as non-deposit accepting non-banking finance company.

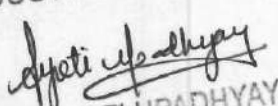
C. Rationale for the Scheme of Arrangement

The arrangement is aimed at demerger of "Finance & Investment undertaking" (defined hereinafter) of AIL into AFL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for AIL and AFL:

- I. Each of the business activities being carried out by the AIL is distinct and diverse in its business characteristics. Both the businesses are entirely unrelated and at different stages of maturity with different risk and return profiles and capital and operational requirements. The management of the Demerged Company believes that there may be a segment of investors who may wish to have a choice of investing in either of the categories of businesses being undertaken by the company.
- II. Pursuant to the proposed demerger, the Demerged Undertaking (defined hereinafter) and the Remaining Business (defined hereinafter) would have their own management teams which can chart out independent strategies for each business segment. Further, the proposed demerger would also open avenues for resizing and inorganic growth opportunities for the businesses, provide multiple listing avenues, along with creating opportunity for shareholders to participate in business of choice and reposition the businesses in their respective market segments, thereby creating opportunities for value creation for the respective stakeholders.
- III. The demerger will permit increased focus by AIL and AFL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of AFL. The Scheme would be in the best interest of all stakeholders in AIL.

The transfer and vesting of the Finance & Investment Undertaking into AFL would be in the best interests of the shareholders, creditors and employees of AIL and AFL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in operation of the Finance & Investment Undertaking and the remaining business of the AIL. Pursuant to this Scheme all the shareholders of the AIL will get shares in AFL and there would be no change in the economic interest for any of the shareholders of AIL pre and post implementation of the Scheme.

For APM INDUSTRIES LIMITED

JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED

Director

In view of the above rationale, the Board recommended a Scheme of Arrangement whereby the Finance & Investment Undertaking of AIL will be demerged into AFL as a going concern with effect from the Appointed Date (defined hereinafter). Accordingly, the Board of Directors of AIL and AFL have decided to make requisite applications and/or petitions before the Tribunal (hereinafter defined) as the case may be, as applicable under Sections 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, and other applicable provisions for the sanction of this Scheme.

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

PART A

1. DEFINITIONS:

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 1.1. 'Act': means the Companies Act, 2013, and will include any statutory modifications, re-enactments or amendments thereof.
- 1.2. "Applicable Law(s)" means (a) all the applicable statutes, notification, enactments, act of legislature, listing regulations, bye-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or other instructions having force of law enacted or issued by any Appropriate Authority including any statutory modifications or re-enactment thereof for the time being in force (b) administrative interpretations, writs, injunctions, directions, directives, judgments, arbitral awards, decree, orders, or governmental approvals of, or agreement with, any relevant authority, as may be in force from time to time;
- 1.3. 'Appointed Date': means 1st April, 2018 or such other date as may be decided by the Board of the Demerged Company and the Resulting Company with the consent or as per the direction by the Tribunal.
- 1.4. 'Board' or 'Board of Directors' shall mean Board of Directors of AIL and AFL, as the case may be, and unless it be 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, for the purpose of Scheme.
- 1.5. 'Book Values' means the value(s) of the assets and liabilities of the Demerged Undertaking, as appearing in the books of accounts of the Demerged Company at the close of business as on the day immediately preceeding the Appointed Date and excluding any value arising out of revaluation of any assets.
- 1.6. 'BSE' shall mean BSE Limited.

For APM INDUSTRIES LIMITED

[Signature]

JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED

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[Signature]
Director

1.7. 'Core Business' has the meaning assigned to it in Clause B of Preamble of this scheme.

1.8. 'Demerged Company' shall mean 'APM Industries Limited' or 'AIL'.

1.9. 'Demerged Undertaking' or 'Finance & Investment Undertaking' means all the undertakings, properties and liabilities, of whatsoever nature and kind and wheresoever situated, of the Demerged Company pertaining to its Finance & Investment Business Undertaking as detailed below :

- (i) The entire business relating to finance & investment division of Demerged Company and other ancillary businesses connected therewith, on a going concern basis;
- (ii) All assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all loans and advances, capital work-in-progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical, appliances, accessories, investments, stocks, intellectual properties, technical knowhow, patents, copy rights, licenses, approvals pertaining to or relatable to the Demerged Undertaking;
- (iii) All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets relating to or appertaining to the said business, as per the records of Demerged Company, and shall also include any obligations under any license, permits, appertaining to the said business;
- (iv) For the purpose of this Scheme, it is clarified that liabilities pertaining to the "Finance & Investment Division" include:
 - a) The liabilities which arise out of the activities or operations of the such business;
 - b) Specific Loans and / or borrowing raised, incurred and / or utilized solely for the activities or operations of the such business;
 - c) Liabilities other than those referred to in Sub Clause (a) and (b) above and not directly relatable to the such business being the amount of any general or multipurpose borrowings of Demerged Company shall be allocated to finance & investment business, in the same proportion which the value of the assets transferred under this clause bears to the total value of assets of Demerged Company, immediately before giving effect to the demerger of finance & investment business.

Any question that may arise, as to whether the specified asset or liability pertains or does not pertain to the finance & investment business or whether it arises out of the activities or operations of the finance & investment business or not shall be decided by the Board of Directors of Demerged Company or any committee thereof.

For APM INDUSTRIES LIMITED

Jyoti Upadhyay
JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED

[Signature]
Director

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- (v) All permanent employees of Demerged Company substantially engaged in the Demerged Undertaking and those permanent employees that are determined by the Board of Directors of the Demerged Company, to be substantially engaged in or in relation to the Demerged Undertaking;
- (vi) All rights and licenses, membership all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of central/ state governments, quality certifications and approvals, product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licenses, municipal permissions, goodwill, approvals, consents, tenancies, if any in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Demerged Company in relation to the Demerged Undertaking, funds belonging to or proposed to be utilized for the finance & Investment Business, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Demerged Company in relation to the Demerged Undertaking or any powers of attorney issued in favour of the Demerged Company or from or by virtue of any proceeding before a legal, quasi-judicial authority or any other statutory authority to which the Demerged Company was a party, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;
- (vii) All books, records, files, papers, computer programs along with their licenses, manuals and back - up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking;
- (viii) All advances, deposits and balances with Government, Semi-Government, Local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking;
- (ix) All investments in securities whether current or non current (other than investments relatable to the remaining business) in the Demerged Company, directly or indirectly in connection with or in relation to the Demerged Undertaking; and

For APM INDUSTRIES LIMITED

Jyoti Upadhyay
JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED

[Signature]
Director

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- (x) All legal or other proceedings of whatsoever nature that pertain to the Demerged Undertaking.

Explanation:

In case of any question that may arise as to whether any particular asset or liability and/or employee pertains or does not pertain to the Finance & Investment Undertaking of the Demerged Company the same shall be decided by the Board of Directors of the Demerged Company.

- 1.10. 'Effective Date': means the date on which the last of the conditions mentioned in Clause 3 of Part E of this Scheme is fulfilled. References in this Scheme to the date of "Upon the Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date.
- 1.11. 'Listing Regulations': means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modification or any enactment thereof.
- 1.12. 'National Company Law Tribunal' or 'NCLT' or 'Tribunal': means the Hon'ble National Company Law Tribunal at New Delhi, or any other appropriate forum or authority empowered to approve the Scheme as per the law for the time being in force.
- 1.13. 'Record Date(s)' means the date(s) to be fixed by the Board of Directors of the Demerged Company, after the Effective Date, with reference to which the eligibility of the equity shareholder of the Demerged Company, for the purposes of issue and allotment of shares of the Resulting Company, in terms of the Scheme, shall be determined.
- 1.14. 'Registrar of Companies' or 'RoC': means the Registrar of Companies of Jaipur.
- 1.15. 'Remaining Business' means all the business, assets and liabilities and activities of the Demerged Company other than the business, assets and liabilities of Demerged Undertaking which upon this scheme becoming effective be vested with the respective companies as provided in this scheme.
- 1.16. 'Resulting Company' or 'AFL' shall mean APM Finvest Limited.
- 1.17. 'Scheme' means this Scheme of Arrangement, as set out herein and approved by the Board of Directors of Demerged Company and Resulting Company subject to such modifications as the NCLT may impose or the Demerged Company or Resulting Company may prefer and the NCLT may approve. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.
- 1.18. 'SEBI Circular' means Circular No. CFD/DIL3/CIR/2017/21 dated March 10th, 2017 or any amendments thereof, issued by SEBI in regards to scheme of arrangement by Listed Companies.
- 1.19. 'Stock Exchange' shall mean BSE Limited where equity shares of APM Industries Limited are currently listed.

For APM INDUSTRIES LIMITED


JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

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2. **DATE OF EFFECT AND OPERATIVE DATE:**

The Scheme setout herein in its present form or with modification (s), if any, made as per Clause 2 of Part E below, the scheme shall be effective from the Appointed Date but shall come into operation from the Effective Date.

3. **CAPITAL STRUCTURE :**

The Capital Structure of APM Industries Limited and APM Finvest Limited as on the 31st December, 2017 are as follows:

3.1. **APM INDUSTRIES LIMITED (DEMERGED COMPANY)**

Particulars	Amount (Rs.)
Authorized Capital:	
35,000,000 Equity Shares of Rs.2/- each	70,000,000.00
3,00,000 Preference Shares of Rs. 100/- each	30,000,000.00
Total	100,000,000.00
Issued Capital:	
22,217,080 Equity Shares of Rs.2/- each	44,434,160.00
Subscribed and Paid up Capital:	
21,611,360 Equity Shares of Rs.2/- each	43,222,720.00
	43,222,720.00


There is no change in the Capital Structure of Demerged Company after 31st December, 2017.

APM FINVEST LIMITED (RESULTING COMPANY)

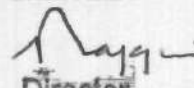
Particulars	Amount (Rs.)
Authorized Capital:	
100,00,000 Equity Shares of Rs.2/- each	20,000,000.00
	20,000,000.00
Issued, Subscribed and Paid up Capital:	
100,00,000 Equity Shares of Rs.2/- each	20,000,000.00
	20,000,000.00

There is no change in the Capital Structure of Resulting Company after 31st December, 2017.

For APM INDUSTRIES LIMITED


JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

PART B

TRANSFER AND VESTING OF DEMERGED UNDERTAKING

1. TRANSFER OF DEMERGED UNDERTAKINGS

Upon this Scheme becoming effective and with effect from the Appointed Date and pursuant to Section 230 and Section 232 of the Companies Act, 2013 and other applicable provisions of law for the time being in force, and pursuant to the orders of the NCLT or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, the Demerged Undertaking shall stand transferred and vested in the Resulting Company, as a going concern, together with all its properties, assets, rights, benefits and interest therein.

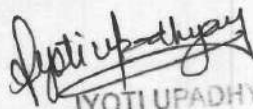
2. TRANSFER OF ASSETS

- (i) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all assets relating to the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and acknowledgement of possession pursuant to this Scheme, shall stand transferred and vested as such by the Demerged Company and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (ii) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all movable properties of the Demerged Company relating to the Demerged Undertaking, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans and advances and other current assets, if any, recoverable in cash or in kind or for value to be received, cash & bank balances and deposits, shall without any further act, instrument or deed, become the property of the Resulting Company.
- (iii) Upon this Scheme becoming effective and with effect from the Appointed Date, all assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date and prior to the Effective Date pertaining to the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company upon coming into effect of the Scheme.

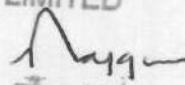
3. TRANSFER OF LIABILITIES AND CONNECTED SECURITIES/ CHARGES

- (i) Upon this Scheme becoming effective and with effect from the Appointed Date, all debts, liabilities and obligations, whether recorded or not, of the Demerged Company relating to the Demerged Undertaking, as on the close of business on the day immediately preceding the Appointed Date (hereinafter referred to as the Transferred Liabilities) shall become the debts, liabilities, duties and obligations of the Resulting Company, upon the Scheme becoming effective, who shall undertake to meet, discharge and satisfy the same to the exclusion of the Demerged Company. All the debts, liabilities, duties and obligations, secured or unsecured, whether recorded or not, relating to the remaining business shall continue to remain in the Demerged Company.

For APM INDUSTRIES LIMITED


JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

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- (ii) Upon this Scheme becoming effective and with effect from the Appointed Date, where any of the liabilities and obligations of the Demerged Undertaking as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been taken for and on account of the Resulting Company and all loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date shall also without any further act or deed be and stand transferred to the Resulting Company and shall become liabilities of the Resulting Company which shall meet, discharge and satisfy the same. Such liabilities shall also form part of the Transferred Liabilities as defined hereinabove.
- (iii) Upon this Scheme becoming effective and with effect from the Appointed Date, in so far as the existing security in respect of the Transferred Liabilities of the Demerged Undertaking is concerned, such security shall continue to extend to and operate over the assets comprised in the Demerged Undertaking, as the case may be, which have been and charged in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided, however, that if any of the assets comprised in the Demerged Undertaking which have not been charged or secured in respect of the Transferred Liabilities, such assets shall be transferred to the Resulting Company as unencumbered assets and in the absence of any formal amendment, which may be required by a lender or third party, shall not affect the operation of the above and this Scheme shall not operate so as to require any charge or security to be created on such assets in relation to the Transferred Liabilities.
- (iv) Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the security and charge over such assets relating to any loans or borrowings which are not transferred pursuant to this Scheme (and which shall continue with the Remaining Business), shall without any further act or deed be realized from such encumbrance and shall no longer be available as security in relation to such liabilities.
- (v) Without prejudice to the provisions of the foregoing clauses and upon the Scheme becoming effective, the Demerged Company and the Resulting Company, if required, may execute any instruments or documents or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the ROC to give formal effect to the above provisions.
- (vi) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities and the Demerged Company shall not have any obligations in respect of the Transferred Liabilities, and the Resulting Company shall indemnify the Demerged Company in this behalf.
- (vii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Transferred Liabilities is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

APM INDUSTRIES LIMITED
Jyoti Upadhyay
 JYOTI UPADHYAY
 Company Secretary

For APM FINVEST LIMITED

[Signature]
 Director

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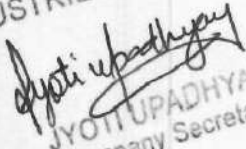
- (viii) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Scheme, if approved by Hon'ble NCLT, shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

4. TRANSFER OF CONTRACTS, AGREEMENTS, MOU, PERMITS, QUOTAS AND LICENCE OF DEMERGED UNDERTAKING

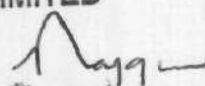
- (i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all contracts, agreements, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, tenancy or leasehold or hire purchase agreements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company are a party or to the benefits of which, the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect, on or against or in favor of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto;
- (ii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all permits, quotas, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature, leave and license agreements, trade mark licenses including application for registration of trade mark, storage & warehousing agreements, commission agreements, Lease agreements, Hire Purchase Agreements, franchisee agreements in relation to the Demerged Undertaking to which the Demerged Company are a party or to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect immediately before the Effective Date shall be and remain in full

force and effect in favour of or against Resulting Company as the case may be, and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto;

- (iii) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all statutory licenses, no-objection certificates, permissions, approvals, consents, quotas, rights, entitlements, trade mark licenses including application for registration of trade mark, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto, in relation to the Demerged Undertaking shall stand transferred to or vested in the Resulting Company, without any further act or deed done by the Demerged Company and the Resulting Company and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Resulting Company upon the vesting and transfer of the Demerged Undertaking pursuant to this Scheme.

For APM INDUSTRIES LIMITED

JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED

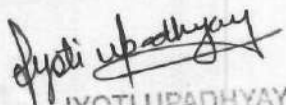

Director

- (iv) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any such statutory and regulatory no-objection certificates, licenses, permissions, consents, approvals, authorizations or registrations, trade mark licenses including application for registration of trade mark as are jointly held for Demerged Undertaking and the remaining businesses, including the statutory licenses, permissions or approvals, registrations under Goods and Service Tax (GST, Shops and Establishments Act or consents required to carry on the operations in the remaining businesses, shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, pursuant to the filing of this Scheme as sanctioned by the Hon'ble NCLT, with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations in the Resulting Company without hindrance from the Appointed Date.
- (v) The benefit of all statutory and regulatory permissions, licenses and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme.
- (vi) All contractors hitherto engaged by the Demerged Company in relation to the Demerged Undertaking shall be deemed to be engaged by the Resulting Company for the same purpose on the same terms and conditions.

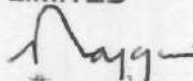
5. EMPLOYEES

- (i) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the services of all Employees of the Demerged Company employed in the Demerged Undertaking shall stand transferred to the Resulting Company on the same terms and conditions at which these employees are engaged by the Demerged Company without any interruption of service as a result of the transfer. The Resulting Company also undertakes to accept and abide by any change in terms and conditions that may be agreed/ affected by the Demerged Company with all such employees between the Appointed Date and Effective Date.
- (ii) The Resulting Company undertakes to continue to abide by any agreements / settlements entered into by the Demerged Company in respect of Demerged Undertaking with any union / representatives of the employees of the Demerged Company. The Resulting Company agrees that the services of all such employees with the Demerged Company up to the Effective Date shall be taken into account for the purpose of all retirement benefits payable by the Resulting Company to such employees subsequently. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, such past services with the Demerged Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.

For APM INDUSTRIES LIMITED


 JYOTI UPADHYAY
 Company Secretary

For APM FINVEST LIMITED


 Director

- (iii) In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, employees state insurance schemes, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company for the Employees related to the Demerged Undertaking (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds which are preferable to the Employees related to the Demerged Undertaking being transferred to the Resulting Company in terms of Sub Clause (i) of Clause 5 above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme. The Resulting Company in its sole discretion, will establish necessary Funds to give effect to the above transfer or deposit the same in the schemes governed under the applicable laws and rules made there under, as amended from time to time, namely Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and/or Employees State Insurance Act, 1948 and/or Payment of Gratuity Act, 1972. In the event that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the Employees related to Demerged Undertaking shall be transferred to the funds created by the Resulting Company.

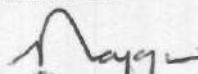
6. LEGAL PROCEEDING

If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatsoever nature by or against the Demerged Company is pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against the Resulting Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme had not been made. The Resulting Company shall get such legal or other proceedings relating to or in connection with the Demerged Undertaking, initiated by or against the Demerged Company, transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company shall also deal with all legal or other proceedings, which may be initiated by or against the Demerged Undertaking or the Resulting Company after the Effective Date but relating to the Demerged Undertaking, in respect of the period up to the Effective Date, in its own name and account and to the extent possible, to the exclusion of the Demerged Company. The Resulting Company shall pay all amounts including interest, penalties, damages, etc., which the Demerged Company may be called upon to be paid or secured in respect of any liability or obligation relating to the Demerged Undertaking for the period commencing on the Appointed Date and ending on the Effective Date. Any reasonable costs incurred by the Demerged Company in respect of the proceedings started by or against it relating to the Demerged Undertaking and for the period commencing on the Appointed Date and ending on the Effective Date shall be reimbursed by the Resulting Company, upon submission of necessary evidence of having incurred such costs by the Demerged Company to the Resulting Company;

For APM INDUSTRIES LIMITED


JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

7. INCOME TAX AND OTHER PROVISIONS

- (i) AFL will be the successor of AIL vis-à-vis the Finance & Investment Undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-a-vis the Finance & Investment Undertaking and the obligations, if any, for payment of taxes on any assets of the Finance & Investment Undertaking or their erection and/or installation, etc. shall be deemed to have been availed by AFL, or as the case may be deemed to be the obligation of AFL.
- (ii) With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/ payables by AIL relating to the Finance & Investment Undertaking including all or any refunds/ credits/ claims/ tax losses/ unabsorbed depreciation relating thereto shall be treated as the assets/ liability or refund/ credit/ claims/ tax losses/ unabsorbed depreciation, as the case may be, of AFL.
- (iii) AIL and AFL are expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/ returns and to claim refund, advance tax, credits, excise credits, set off etc. on the basis of the accounts of the Finance & Investment Undertaking as vested with AFL upon coming into effect of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.
- (iv) Any refund, under the Income tax Act, 1961, Goods & Service Tax Act, Service Tax, Central Sales Tax, Customs, Excise, applicable State Value Added Tax or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Finance & Investment Undertaking of AIL consequent to the assessment made on AIL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by AFL upon this Scheme becoming effective.
- (v) The tax payments (including, without limitation income tax, Goods & Service Tax, Service Tax, Excise Duty, Central Sales Tax, applicable State Value Added Tax, etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the AIL with respect to the Finance & Investment Undertaking after the Appointed Date, shall be deemed to be paid by the AFL and shall, in all proceedings, be dealt with accordingly.
- (vi) Further, any tax deducted at source by AIL / AFL or any other party with respect to Finance & Investment Undertaking on transactions with the AIL / AFL, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the AFL and shall, in all proceedings, be dealt with accordingly.
- (vii) Obligation for deduction of tax at source on any payment made by or to be made by AIL shall be made or deemed to have been made and duly complied with by AFL.
- (viii) Upon the Scheme becoming effective, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, Goods and Service Tax, Service Tax, Central Sales Tax, Excise, Cenvat, applicable state Value added tax, Customs, etc. relating to the Finance & Investment Undertaking to which AIL is entitled to shall be available to and vest in AFL, without any further act or deed.

For APM INDUSTRIES LIMITED

[Signature]
JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED

[Signature]
Director

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- (ix) The Board of Directors of AIL shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Finance & Investment Undertaking and whether the same would be transferred to AFL.

8. OTHER PROVISIONS

- (i) The Demerged Company and the Resulting Company may, after the Scheme becomes effective, for the sake of good order, execute amended and re-stated arrangements or confirmations or other writings, for the ease of the Demerged Company, the Resulting Company and the counter party concerned in relation to the Remaining Business and the Demerged Undertaking, without any obligation to do so and without modification of any commercial terms or provisions in relation thereto.
- (ii) Upon the Scheme becoming effective, the Resulting Company shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property vested with the Resulting Company and relating to the Demerged Undertaking. The Demerged Company and the Resulting Company are jointly and severally authorized to file such declarations and other writings to give effect to this Scheme and to remove any difficulties in implementing the terms hereof.

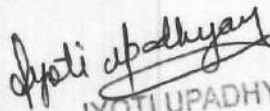
9. CONDUCT OF BUSINESS

9.1. With effect from the Appointed Date and up to and including the Effective Date:

- (i) The Demerged Company shall be deemed to have been carrying on all business and activities relating to the Demerged Undertaking for and on behalf of and in trust for the Resulting Company: and
- (ii) All income, expenditures including management costs, profits accruing to the Demerged Company and all taxes thereof or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes, be treated as the income, expenditures, profits, taxes or losses, as the case may be, of the Resulting Company.

- 9.2. (i) With effect from the Effective Date, the Resulting Company shall be duly authorized to carry on the business of the Demerged Undertaking, previously carried on by the Demerged Company.
- (ii) The Resulting Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

For APM INDUSTRIES LIMITED


JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

- 9.3. The Demerged Company and the Resulting Company are expressly permitted to revise their Income Tax, Goods & Service Tax Returns, Service Tax Returns, applicable value added tax (VAT) returns, sales tax, customs and excise returns and all other statutory returns, including without limitation TDS certificates and the right to claim refund, advance tax credits etc., upon the Scheme becoming effective. It is specifically declared that the taxes paid by the Demerged Company relating to the period on or after the Appointed Date whether by way of deduction at source or advance tax, which pertains to the Demerged Undertaking, shall be deemed to be the taxes paid by the Resulting Company and the Resulting Company shall be entitled to claim credit for such taxes deducted/paid against its tax liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes are in the name of the Demerged Company.

10. SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking and continuance of the proceedings by or against the Resulting Company shall not in any manner affect any transaction or proceedings already completed by the Demerged Company (in respect of the Demerged Undertaking) on or before the Appointed Date to the end and intent that the Resulting Company accepts all such acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

PART - C

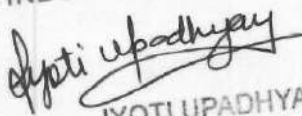
ISSUE OF SHARES FOR DEMERGER AND ACCOUNTING TREATMENT

1. ISSUE OF SHARES

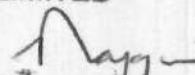
- 1.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Finance & Investment Undertaking of AIL in AFL, AFL shall, without any further act or deed, issue and allot to the equity shareholders of AIL, whose names appear in the Register of Members of AIL, on a date (hereinafter referred to as "Record Date") to be fixed in that behalf by the Board of Directors of AIL in consultation with AFL for the purpose of reckoning the names of the equity shareholders of AIL, in consideration for the transfer of the Finance & Investment Undertaking in the following proportion namely,:

1 (One) Equity Shares of face value of Rs. 2 (Rupees Two) each at par in Resulting Company for every 1 (One) Equity Shares of face value of Rs.2 (Rupees Two) each held by them in Demerged Company.

- 1.2 In issue and allotment of such shares as aforesaid, the fractional entitlements of shares of any shareholders of AIL shall not be taken into account, but such shares representing fractional entitlements shall be allotted to Company Secretary of AFL upon trust, who will sell them on the date of listing of AFL or within such period of listing of AFL as may be decided by the Board of Directors of AFL, and distribute their sale proceeds (less expenses, if any) to the shareholders of AIL, who are entitled to such fractional shares.

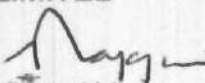
For APM INDUSTRIES LIMITED

JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

- 1.3 In case of shareholders of the Demerged Company, who holds shares in the demerged company in dematerialized form, New Shares will be credited to the existing depository accounts of the shareholders of the Demerged Company as per records maintained by National Securities Depository Limited and/or Central Depositors Services (India) Limited on the record date and made available by the Demerged Company to the Resulting Company. All those equity shareholders of AIL who hold equity shares of AIL in physical form shall also have the option to receive the new equity shares, as the case may be, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to AFL before the Record Date. In the event that AFL has received notice from any equity shareholder of AIL that equity shares are to be issued in physical form or if any equity shareholder has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any equity shareholder do not permit electronic credit of the shares of AFL, then AFL shall issue new equity shares of AFL in accordance with clauses 1.1 above, as the case may be, in physical form to such equity shareholder.
- 1.4 The new equity shares of AFL to be issued to the shareholders of AIL in terms of this scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of AFL and shall rank pari-passu, in all respects with the then existing equity shares in AFL in all respects.
- 1.5 Where the new equity shares of AFL are to be allotted, pursuant to this scheme, to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of AIL, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of AFL.
- 1.6 The new equity shares to be issued by AFL, pursuant to this scheme, in respect of any equity shares of AIL, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by AFL.
- 1.7 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even subsequent to the Appointed Date or the Effective Date, as the case may be, to effectuate such a transfer in the Demerged Company, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Resulting Company of such shares.
- 1.8 The issue and allotment of shares to shareholders of Resulting Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 62 of the Companies Act, 2013.

For APM FINVEST LIMITED


Director

For APM INDUSTRIES LIMITED

JYOTI UFEKAR
Company Secretary

2. AUTHORIZED SHARE CAPITAL OF THE RESULTING COMPANY AND THE DEMERGED COMPANY

2.1 Upon the scheme becoming effective, the Authorized share capital of the Demerged Company to the extent of Rs. 25,000,000 (Rupees Two Crore and Fifty lacs) divided into 12,500,000 (One Crore and Twenty Five lacs) equity shares of face value of Rs. 2/- (Rupees Two) will get transferred to the Resulting Company and the Authorized Share Capital of the Resulting Company shall automatically stand increased by said amount.

2.2 Accordingly, the words and figures in Clause V of the Memorandum of Association of the Demerged Company shall stand modified and be substituted to read as follows:

The Authorized Share Capital of the Company shall be Rs. 7,50,00,000 (Rupees Seven Crore and Fifty Lacs only) divided into 2,25,00,000 (Two Crore and Twenty Five Lacs) equity shares of Rs. 2 each (Rupees Two Only) and 3,00,000 (Three Lacs only) Preference Shares of Rs. 100 each (Rupee One Hundred) with power to increase or decrease the capital.

2.3 The words and figures in Clause V of the Memorandum of Association of the Resulting Company shall stand modified and be substituted to read as follows

The Authorized Share Capital of the Company shall be Rs. 4,50,00,000 (Rupees Four Crore and Fifty Lacs only) divided into 2,25,00,000 (Two Crore and Twenty Five Lacs) equity shares of Rs. 2 each (Rupees Two Only), with power to increase or decrease the capital.

2.4 It is clarified that for the purpose of this clause, the consent of the shareholders of Demerged Company and Resulting Company to this scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolutions under any provisions of the Act, would be required to be separately passed.

3. ACCOUNTING TREATMENT

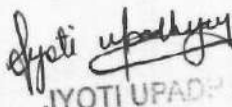
3.1 Treatment in the books of the Demerged Company

3.1.1 With effect from the appointed date and upon the scheme becoming effective, the book value of assets and liabilities of the Demerged Undertaking as appearing in the books of accounts of the Demerged Company and being transferred to the Resulting Company shall be reduced from the corresponding balances of the assets and liabilities of the Demerged Company.

3.1.2 The equity share capital of Resulting Company held by the Demerged Company either itself or through its nominee, as on the effective Date and on occurrence of the appointed date shall stand cancelled.

3.1.3 The difference between the values of assets and value of liabilities transferred pursuant to scheme shall be appropriated and adjusted in the Capital Reserves of the Demerged Company and the balance against other reserves as decided by the Board of Directors of AIL.

For APM INDUSTRIES LIMITED


JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

3.1.4 Upon the Scheme being effective, the existing shareholding of AIL in AFL shall stand cancelled. Upon cancellation, AIL shall credit to its investment in AFL, the value of investment held by AIL in AFL, which stands cancelled and the same shall be debited to the Profit & Loss Account of AIL.

3.1.5 The reduction in Assets, Liabilities and Reserves of Demerged Company, including the Share Premium Account, if any, as may be required herein above shall be affected as an integral part of the Scheme and the order of the Hon'ble NCLT sanctioning the scheme shall be deemed to be also the order under Sections 66 of the Companies Act, 2013 for the purpose of confirming the reduction of the Securities Premium Account and other Reserves.

3.2 Treatment in the books of the Resulting Company

3.2.1 With effect from the appointed date and upon the scheme becoming effective, the Resulting Company shall record all the assets and liabilities of the Demerged Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of account of the Demerged Company as on the Appointed Date. In determining the value of the assets referred to here in above, any change in value of assets consequent to their revaluation shall be ignored in terms of Section 2(19AA) of the Income Tax Act, 1961.

3.2.2 AFL shall credit its share capital account with the aggregate face value of the new equity shares issued by it to the members of AIL pursuant to Clause 1.1 of this Part of the Scheme.

3.2.3 In respect of cancellation of shares held by AIL, AFL shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by AIL in AFL with a corresponding credit to the Capital Reserves of AFL.

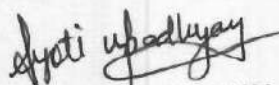
3.2.4 The difference between the book value of assets and book value of liabilities so recorded in the books of account of the Resulting Company, as reduced by the aggregate sum of the paid up value of the equity share capital issued by the Resulting Company in terms of Clause 1.1 above and after giving effect to clause 4.2.2, shall be adjusted in the Capital Reserves of the AFL.

3.2.5 To the extent that there are inter-corporate loans or balance between Demerged Undertaking and the Resulting Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and record of the Resulting Company for the increase or reduction of any assets or liabilities, as the case may be.

3.2.6 The Resulting Company shall record in its books of accounts, all transactions relating to the Demerged Undertaking of Demerged Company, in respect of assets, liabilities, Income and Expenses, from the Appointed Date to the Effective Date.

3.2.7 It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Demerged Undertaking would be duly reflected in the financial statements of the Resulting Company upon the Scheme coming into effect.

For APM INDUSTRIES LIMITED


JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

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4. REDUCTION OF SHARE CAPITAL OF AFL AND AIL

4.1 REDUCTION OF SHARE CAPITAL OF AFL

- a) With the issue and allotment of the new equity shares by AFL to the equity shareholders of AIL in accordance with clauses 1.1 above, in the books of AFL, all the equity shares issued by AFL to AIL and held by AIL or its nominee shall stand cancelled, extinguished and annulled on and from the Effective Date.
- b) The cancellation, as aforesaid, which amounts to reduction of share capital of AFL, shall be effected as an integral part of this Scheme itself in accordance with the provisions of section 66 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.
- c) Notwithstanding the reduction as mentioned above, AFL shall not be required to add "and reduced" as suffix to its name and AFL shall continue in its existing name.

4.2 REDUCTION OF SHARE CAPITAL OF AIL

- a) The reduction under Clause 3.1 in the general reserve or other reserves of AIL shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 66 of the Act and the order of the Tribunal, as the case may be, as applicable sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The approval granted by the shareholders to the Scheme shall be deemed to be the approval for the purpose of Section 66 and other relevant provisions of the Act. AIL and AFL shall not be obliged or required to call for a separate meeting of its shareholders/ creditors for obtaining their approval for sanctioning the reduction in capital reserves and / or securities premium account. The reduction does not involve either a diminution of liability in respect of unpaid share capital or payment of paid up share capital under the provisions of Section 66 of the Act.
- b) Notwithstanding the reduction as mentioned above, AIL shall not be required to add "and reduced" as suffix to its name and AIL shall continue in its existing name.

5. REMAINING BUSINESS TO CONTINUE WITH AIL

- 5.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by AIL subject to the provisions of the Scheme.

All legal or other proceedings by or against AIL under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of AIL in respect of the Remaining Business) shall be continued and enforced by or against AIL. AFL shall in no event be responsible or liable in relation to any such legal or other proceedings by or against AIL.

5.3 With effect from the Appointed Date and up to and including the Effective Date:

- a) AIL shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- b) all profits and income accruing or arising to AIL, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of AIL; and
- c) all employees relatable to the Remaining Business shall continue to be employed by AIL and AFL shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

PART D


1. LISTING REGULATIONS AND SEBI COMPLIANCES

- 1.1 The Demerged Company being a listed company, this Scheme is subject to the Compliances by the 'Demerged Company' of all the requirements under the listing regulations and all statutory directives of the Securities Exchange Board of India ('SEBI') through its circulars insofar as they relate to sanction and implementation of the Scheme.
- 1.2 The Demerged Company in compliance with the listing Regulations shall apply for the 'Observation Letter' to BSE Limited, where its shares are listed.
- 1.3 The Demerged Company shall also comply with the directives of SEBI contained in the Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular') issued by SEBI in terms of Regulation 37 of the listing regulations;

2. LISTING OF EQUITY SHARES OF RESULTING COMPANY

- 2.1 Scheme of Demerger is in conformity with the requirements as laid down in Sub-Rule 19 (7) of Securities Contract (Regulation) Rules, 1957 and in terms of the said Sub-rule after allotment of new equity shares in Resulting Company, Resulting Company shall within 30 days from the date of receipt of certified copy of order of the National Company Law Tribunal (NCLT) of relevant jurisdiction sanctioning the Scheme, take necessary steps for listing of shares allotted, simultaneously on all the stock exchanges where the equity shares of Demerged Company are listed.
- 2.2 Resulting Company shall make application to Securities and Exchange Board of India (SEBI) in terms of Rule 19 (7) of Securities Contract (Regulation) Rules, 1957 for Listing of Equity Shares at all the Stock Exchanges where the Equity Shares of Demerged Company are listed on the Appointed Date without complying with the requirements of Rule 19(2)(b) of Securities Contract (Regulation) Rules, 1957.

AFL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the aforesaid stock exchanges. On such formalities being fulfilled the said stock exchanges shall list and /or admit such new equity shares also for the purpose of trading. The new equity shares allotted by AFL, pursuant to this scheme, shall remain frozen in the depositories system till the listing/trading permission is given by the BSE.

For APM INDUSTRIES LIMITED

JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

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PART -E

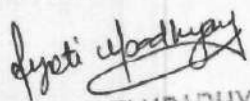
1 SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking and continuance of the proceedings by or against the Resulting Company shall not in any manner affect any transaction or proceedings already completed by the Demerged Company (in respect of the Demerged Undertaking) on or before the Appointed Date to the end and intent that the Resulting Company and Demerged Company accepts all such acts, deeds and things done and executed by and/or on behalf of the Demerged Company and, as acts, deeds and things done and executed by and on behalf of the Resulting Company.

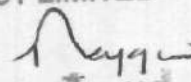
2 GENERAL TERMS AND CONDITIONS

- 2.1 The Demerged Company and Resulting Company shall, make applications to the Hon'ble NCLT under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and/or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT.
- 2.2 Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Demerged Company and Resulting Company (as may be directed by the Hon'ble NCLT), Demerged Company and Resulting Company shall, apply to the Hon'ble NCLT, for sanction of this Scheme under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and for such other order or orders, as the said Hon'ble NCLT may deem fit for carrying this Scheme into effect.
- 2.3 On approval of this Scheme by the members and creditors of the Demerged Company, and Resulting Company, pursuant to Sections 230 to 232 of the Companies Act, 2013, it shall be deemed that all consents required from the shareholders and/or creditors, as the case may be, of the said companies under the provisions of the Act as may be applicable, have been accorded to.
- 2.4 Upon this Scheme becoming effective, the respective shareholders of the Demerged Company and Resulting Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.
- 2.5 The Demerged Company and Resulting Company (acting through their respective Boards of Directors or Committees thereof) may assent to any modifications or amendments to this Scheme, which the Hon'ble NCLT and/or any other authorities/Stock Exchanges may deem fit to direct or impose or which may otherwise be considered necessary or desirable or for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. Demerged Company and Resulting Company (acting through their respective Boards of Directors or Committees thereof) be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of the order of the Hon'ble NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

For APM INDUSTRIES LIMITED


JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

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- 2.6 The Demerged Company and Resulting Company, shall have the discretion to withdraw their applications and/or petitions from the Hon'ble NCLT, if any onerous terms or other terms not acceptable to them are introduced in the Scheme whether at the meetings or at the time of sanction of the Scheme. They shall also be at liberty to render the Scheme ineffective by not filing the certified orders of sanction of the Scheme with the Registrar of Companies but they shall do so after intimating Hon'ble NCLT of their decision of not to file.

3 SCHEME CONDITIONAL UPON:

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

- 3.1 The requisite consent, approval or permission from BSE and/or SEBI under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, which by law or otherwise may be necessary for the implementation of this Scheme in compliance with the provisions of SEBI Circular;
- 3.2 The approval of the Scheme by the respective requisite majorities of the shareholders and/or creditors (where applicable) of the Companies in accordance with Section 230 to 232 of the Act read with section 66 of the Act;
- 3.3 The Scheme being sanctioned by the Tribunal in terms of Sections 230 to 232 read with section 66 of the Act and other relevant provisions of the Act and the requisite orders of the Tribunal;
- 3.4 Such other approvals and sanctions including from government authorities or contracting party as may be required by law or contract for the Scheme.
- 3.5 Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the RoC by AIL and AFL as per the provisions of the Act;

4 EFFECT OF NON-RECEIPT OF APPROVALS

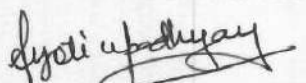
In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Companies shall mutually waive such conditions as they may consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

If any part of this Scheme is found to be unworkable or unviable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Companies affect the validity or implementation of the other parts and/or provisions of this Scheme.

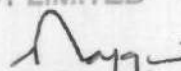
5 COSTS, CHARGES AND EXPENSES

All past, present and future costs, charges, levies, duties, and expenses, save and except stamp duty payable pursuant to transfer of Demerged Undertaking, if any, which shall be borne by the Resulting Company, in relation to or in connection with or incidental to the Scheme or the implementation thereof and all of the above costs shall be treated, as costs relating to this scheme of arrangement.

For APM INDUSTRIES LIMITED


JYOTI UPADHYAY
Company Secretary

For APM FINVEST LIMITED


Director

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January 8, 2018

To,

The Board of Directors
APM Industries Limited
SP-147, RIICO Industrial Area,
Bhiwadi, Rajasthan - 301 019

and

The Board of Directors
APM Finvest Limited
SP-147, RIICO Industrial Area,
Bhiwadi, Rajasthan - 301 019

Sub: Share entitlement Ratio Report

1. Context and purpose

We refer to our engagement and discussions with the management of the companies for ratio of allotment of equity shares of the APM Finvest Limited ('Resulting Company' or 'AFL') to be issued to the shareholders of APM Industries Limited ('Demerged Company' or 'AIL') in connection with proposed demerger of Finance & Investments Undertaking ('Demerged Undertaking' or 'Investment Undertaking' or 'Business') of APM Industries Limited into Resulting Company, with April 1, 2018 as the appointed date (Appointed Date).

2. Background

2.1 APM Industries Limited bearing CIN L21015RJ1973PLC015819 was originally incorporated as "Ajay Paper Mills Private Limited" on 21st September, 1973 in accordance with the provisions of the Companies Act, 1956. The Company, thereafter, got converted into a public limited company on 15th december, 1976 and consequently the name was changed to "Ajay Paper Mills Limited". The name of the Company was again changed to its present name "APM Industries Limited" on 19th April, 1990. The registered office of the Demerged Company is situated at SP-147, RIICO Industrial Area, Bhiwadi, Rajasthan - 301 019.

The Company is a widely held listed company having its equity shares listed at 'BSE Limited' (BSE). The Company is currently engaged in two distinct and diverse business activities through the following undertakings, namely –

- a) Yarn manufacturing business undertaking - manufacturing of synthetic blended (polyester, viscose & acrylic) yarn. Yarn manufacturing business undertaking here in after may also be referred as the Core Business of the Company.
- b) Finance & Investment undertaking – Finance & Investment business that includes investment in shares and other securities of companies and granting of loans and advances.

We understand that the management of AIL is contemplating scheme of arrangement whereby it is proposed that Investments Undertaking be demerged from AIL to AFL and AFL shall take into consideration of the demerger, its shares to the shareholders of AIL. We further understand that



AFL is wholly owned subsidiary of AIL, the Demerged Company. The Company has been incorporated solely for the purpose of facilitating this demerger.

- 2.2 The demerger is proposed to be effected through scheme of arrangement under sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013.
- 2.3 In connection with Demerger, the KMPs of APM Industries Limited has requested Bansal Abhinav & Co., Chartered Accountants ('BAC'/'we'/'us') to provide report on the ratio of allotment of equity shares of the Resulting Company to the shareholders of APM Industries Limited based on information to be made available by the management.
- 2.4 We understand that consequent to Demerger there will be no impact on the economic beneficial interest of the shareholders of the APM Industries Limited.

3. Procedures

The procedures used in our analysis including substantive procedures as we considered necessary under the circumstances:

- Considered the audited financial statement of the APM Industries Limited for year ended March 31, 2017 and extracts of unaudited financial statements as at September 30, 2017.
- Considered the number of equity shares of AFL / Resulting Company proposed to be issued to the shareholders of APM Industries Limited on the demerger of Demerged Undertaking into Resulting Company
- Considered the draft Scheme of Arrangement for the demerger.
- Consider the existing shareholding pattern of APM Industries Limited and the envisaged shareholding pattern of Resulting Company
- Such other analysis, reviews and inquiries with the management as we consider necessary and on which we have relied.

4. Ratio of Allotment

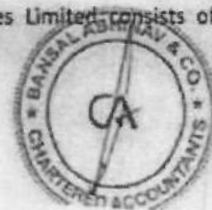
Management has informed us that the face value of shares of AFL as on date is Rs.2 per share.

Based on the above, management has proposed the following Share Entitlement Ratio:

"for every 1 (one) equity share of face value of Rs.2/- (Rupees two only) each held in APM Industries Limited as on the record date, the equity shareholders of APM Industries Limited shall be issued 1 (one) equity share of face value Rs. 2/- (Rupees two only) each credited as fully paid-up in APM Finvest Limited"

We have considered the outstanding number of equity shares of APM Industries Limited and envisaged number of equity shares of the Resulting Company as follows:

- As of report date the issued share capital of APM Industries Limited consists of 22,217,080 equity shares of Rs. 2 each.
- As of report date the subscribed and paid up share capital of APM Industries Limited consists of 21,611,360 equity shares of Rs. 2 each.



- As of report date, the initial issued, subscribed and paid up capital of APM Finvest Limited consist of 10,000,000 equity shares of Rs. 2/- each. The entire paid up capital of AFL is held by AIL. The shares held by AIL in AFL shall be cancelled as integral part of the scheme.

The draft scheme provides that in case of Fractional entitlements in issue and allotment of such shares as aforesaid, the fractional entitlements of shares of any shareholders of AIL shall not be taken into account, but such shares representing fractional entitlements shall be consolidated and thereupon AFL will issue and allot shares in lieu thereof to a Director or Company Secretary or Key Managerial Personnel of AFL or such other person as the Board of Directors of AFL shall appoint in this behalf upon trust, who will sell them on the date of listing of AFL or within such period of listing of AFL as may be decided by the Board of Directors of AFL, and distribute their sale proceeds (less expenses, if any) to the shareholders of AIL, who are entitled to such fractional shares.

Pursuant to scheme, the Resulting Company, in order to comply with the intent of maintaining the economic interest of shareholders of APM Industries Limited shall issue 21,611,360 equity shares of Rs. 2/- each to all the shareholders of APM Industries Limited.

Based on the aforementioned and caveats below and considering that all the current shareholders of the APM Industries Limited are and will, upon demerger, be ultimate beneficial economic owners of the Resulting Company and that upon allotment of equity shares by the Resulting Company in the proposed Share Entitlement Ratio, the beneficial economic interest of the shareholders in the equity of Resulting Company will be same as it is in equity of APM Industries Limited, the above share entitlement ratio is fair in relation to demerger.

5. Caveats

- 5.1 We have relied upon the information, data and explanations in paragraphs 2 and 3 above for the purpose of reporting on the ratio of allotment of the equity shares of the Resulting Company to the shareholders of APM Industries Limited in connection with the proposed Demerger.
- 5.2 For the purpose of opining on the Share Entitlement Ratio we have used financial and other information provided by the Management, which we believe to be reliable and are conclusions are dependent on such information being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of financial and other information provided to us by the Management. We have, therefore, not carried out any due diligence review, independent audit or other test or validation of such financial and other information to establish the accuracy or sufficiency of the financial statements referred to above or of the information, explanations and representations provided to us. We have thus relied upon the audits carried out for the financial year ending on 31st March, 2017 by Chaturvedi & Co., Chartered Accountants of the financials of APM Industries Limited and for the financial year ending on 31st March, 2017 by M/s Narendra Singhania & Company, Chartered Accountants of the financials of APM Finvest Limited, as provided to us. Accordingly, we do not express any opinion or any other form of assurance thereon and accept no responsibility for the same.
- 5.3 We have made no investigation of, and assume no responsibility for the title to, or liabilities against, the equity of APM Industries Limited.
- 5.4 The Investment undertaking of APM Industries Limited is proposed to be demerged into the Resulting Company with effect from the Appointed Date and we have considered the financial statements of APM Industries Limited as at March 31, 2017. The Management has explained that the Business would be carried on in due course of business till the Appointed Date and subsequently, till the Scheme is



approved. The Management has represented that financial statements of APM Industries Limited as at 31 March 2017, provided to us, include all disclosures necessary for a fair presentation of its financial position and results of operations in accordance with generally accepted accounting principles of India consistently applied, and disclosures otherwise required by the laws and regulations to which they are subject. The Management has further represented that the Management does not anticipate any changes in the financial position of the Business, other than that in ordinary course of business till the Appointed Date.

- 5.5 Our scope of work is limited to expression of our view on the proposed Share Entitlement Ratio and its impact on the economic interest of the shareholders of the Specified Companies. Our report is not, nor should it be construed as, our opining or certifying the compliance of the proposed demerger of the Demerged Undertaking with the provisions of any law including companies, FEMA and Taxation related laws or as regards any legal implications or issues arising from such proposed demerger.
- 5.6 While we have provided our view on the Share Entitlement Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. You acknowledge and agree that you have the final responsibility for determination of the Share Entitlement Ratio for the proposed Demerger and factors other than our report will need to be taken into account in determining such ratios; these will include your own assessment of the proposed Demerger and may include the input of other professional advisors.

6. Distribution of report

- 6.1 This letter report is prepared for the Board of Directors of APM Industries Limited and APM Finvest Limited and to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the transaction.
- 6.2 In no event shall we liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the specified companies, their directors, employees or agents. In no circumstances shall liability of Bansal Abhinav & Co., Chartered Accountants, its partners, directors, employees relating to the services provided in connection with the engagement set out in this report exceed the amount paid to us in respect of the fees charged for these services.

For Bansal Abhinav & Co.

Firm Registration No. 0154236

Chartered Accountants

Abhinav Bansal
Partner

Membership No. 412035



09th January 2018

To,
The Board of Directors,
APM Industries Limited
SP-147, RIICO Industrial Area,
Bhiwadi, Rajasthan - 301 019.

Sub: Opinion on the share entitlement ratio on the proposed scheme of arrangement for demerger of Finance & Investment Undertaking of APM Industries Limited and subsequent amalgamation with its wholly owned subsidiary, APM Finvest Limited.

Dear Members of the Board:

We understand that Board of Directors of APM Industries Limited (here in after referred as Demerged Company/ AIL) is considering scheme of arrangement for demerger of Finance & Investment Undertaking of the Company w.e.f. Appointed Date i.e. April 1, 2018 through a scheme of arrangement ('Scheme') under section 230 - 232 read with section 66 and other applicable provisions of the Companies Act, 2013.

The scheme of arrangement provides for -

- a. Demerger of Finance & Investment Undertaking (Demerged Undertaking) of the Demerged Company into its wholly owned subsidiary, APM Finvest Limited (here in after referred as Resulting Company/ AFL), on a going concern basis, and
- b. Issuance of equity shares by the Resulting Company to the shareholders of APM Industries Limited in the ratio as provided in clause 1 of Part C of the scheme, as per the terms and conditions more fully set forth in the draft scheme of arrangement. The shares issued and allotted by Resulting Company shall be listed at BSE Limited (BSE), the Stock Exchange, where the shares of Demerged Company are presently listed.
- c. Cancellation of shares held by the Demerged Company in the Resulting Company. Accordingly post demerger there would be mirror image proportionate shareholding of Demerged Company and Resulting Company i.e. economic interest of shareholders shall remain intact and in the same ratio.

The share entitlement ratio for the proposed scheme of arrangement for demerger has been determined by M/s Bansal Abhinav & Co., Chartered Accountants, vide their valuation report dated January 8, 2018.

FINSHORE MANAGEMENT SERVICES LIMITED
(CIN : U74900WB2011PLC169377)
Registered Office : "Anandlok"
2nd Floor, Block-A, Room No. 207,
227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India
Ph : 033 2289 5101
Website : www.finshoregroup.com



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In terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (LODR Regulations) read with SEBI Circular No. CFD/ DIL3/CIR/ 2017/21 dated March 10, 2017, the listed companies undertaking a scheme of arrangement is required to submit to stock exchange, copy of fairness opinion obtained from the Merchant Banker on the valuation of shares of the companies done by the independent valuer.

With reference to above, we Finshore Management Services Limited, a SEBI Registered (Cat-I) Merchant Banker have been appointed by the demerged company to provide our fairness opinion on the same.

Brief Background of the Companies, our opinion and basis for forming an opinion and caveats is as hereunder -

1. Background of companies:

1.1. APM Industries Limited or Demerged Company or AIL

APM Industries Limited bearing CIN L21015RJ1973PLC015819 was originally incorporated as "Ajay Paper Mills Private Limited" on 21st September, 1973 in accordance with the provisions of the Companies Act, 1956. The Company, thereafter, got converted into a public limited company on 15th December, 1976 and consequently the name was changed to "Ajay Paper Mills Limited". The name of the Company was again changed to its present name "APM Industries Limited" on 19th April, 1990. The registered office of the Demerged Company is situated at SP-147, RIICO Industrial Area, Bhiwadi, Rajasthan - 301 019.

The Company is a widely held listed company having its equity shares listed at 'BSE Limited' (BSE). The Company is currently engaged in two distinct and diverse business activities through the following undertakings, namely -

- a) Yarn manufacturing business undertaking - manufacturing of synthetic blended (polyester, viscose & acrylic) yarn. Yarn manufacturing business undertaking here in after may also be referred as the Core Business of the Company.
- b) Finance & Investment undertaking - Investment and finance business that includes investment in shares and other securities of companies and granting of loans and advances.

1.2. APM Finvest Limited or Resulting Company or AFL

APM Finvest Limited bearing CIN U65990RJ2016PLC054921 was incorporated as such on 13th May, 2016 in accordance with the provisions of the Companies Act, 2013. The registered office of the Resulting Company is situated at SP-147, RIICO Industrial Area, Bhiwadi, Rajasthan - 301 019. The Company is wholly owned subsidiary of APM Industries Limited (the "Demerged Company").

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The Company is registered with Reserve Bank of India (RBI) as non-deposit accepting non-banking finance company.

2. Basis of our opinion

2.1. Rationale of the draft scheme of arrangement (as per extract of draft scheme)

The arrangement is aimed at demerger of "Demerged undertaking" of AIL into AFL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for AIL and AFL:

- I. Each of the business activities being carried out by the AIL is distinct and diverse in its business characteristics. Both the businesses are entirely unrelated and at different stages of maturity with different risk and return profiles and capital and operational requirements. The management of the Demerged Company believes that there may be a segment of investors who may wish to have a choice of investing in either of the categories of businesses being undertaken by the company.
- II. Pursuant to the proposed demerger, the Demerged Undertaking and the Remaining Business would have their own management teams which can chart out independent strategies for each business segment. Further, the proposed demerger would also open avenues for resizing and inorganic growth opportunities for the businesses, provide multiple listing avenues, along with creating opportunity for shareholders to participate in business of choice and reposition the businesses in their respective market segments, thereby creating opportunities for value creation for the respective stakeholders.
- III. The demerger will permit increased focus by AIL and AFL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of AFL. The Scheme would be in the best interest of all stakeholders in AIL.

The transfer and vesting of the Demerged undertaking into AFL would be in the best interests of the shareholders, creditors and employees of AIL and AFL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in operation of the Demerged undertaking and the remaining business of the AIL. Pursuant to this Scheme all the shareholders of the AIL will get shares in AFL and there would be no change in the economic interest for any of the shareholders of AIL pre and post implementation of the Scheme.



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2.2. Sources of Information

- i) Draft scheme of arrangement.
- ii) Share Entitlement Ratio report dated January 8, 2018, issued by M/s Bansal Abhinav & Co., Chartered Accountants.
- iii) Audited Balance Sheet and Income Statement of the Demerged Company and the Resulting Company for the financial year ended March 31, 2017.

2.3. Valuer's Analysis

Clause 4 of share entitlement ratio report provides that ratio of allotment for shares in AFL, shall be as follows -

"for every 1 (one) equity share of face value of Rs. 2/- (Rupees two only) each held in APM Industries Limited as on the record date, the equity shareholders of APM Industries Limited shall be issued 1 (one) equity share of face value Rs. 2/- (Rupees two only) each credited as fully paid-up in APM Finvest Limited"

3. Conclusion and Our Opinion

3.1. With reference to above and based on information provided by the KMP's and after discussions with the Valuer's, we understand that the present scheme of arrangement has been structured to segregate the business undertaking(s) having distinct and diverse business characteristics so as to capitalize on growth opportunities of each businesses and thereby unlocking the potential value of each business. Pursuant to scheme of arrangement the shares of the Resulting Company shall be listed on BSE, the stock exchange where the shares of the Demerged Company are presently listed.

3.2. We also understand that, the proposed cancellation and reduction of share capital of the Resulting Company to the extent held by the Demerged Company or through its nominee, should result in creation of mirror image proportionate shareholding of the Resulting Company as that of Demerged Company (i.e. economic interest of both companies shall remain intact in the hands of common shareholders and in the same ratio). Thus, the interest of shareholders remains unaffected post demerger.



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"Considering above and subject to our caveats as provided in annexure, we as a Merchant Banker hereby certify that we have reviewed the share entitlement ratio report for the proposed scheme of arrangement for demerger of Finance & Investments Undertaking of APM Industries Limited and subsequent merger with its wholly owned subsidiary APM Finvest Limited and are of the opinion that share entitlement ratio of 1 (one) equity shares of face value of INR 2 (Rupees Two) each at par in Resulting Company for every 1 (one) equity shares of face value of INR 2 (Rupees Two) held in demerged company, as fair and reasonable to the equity shareholders of APM Industries Limited."

Thanking You,

For Finshore Management Services Limited

Authorized Signatory



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Caveats

1. Our opinion and analysis is limited to the extent of review of documents as provided to us by the KMP's of APM Industries Limited including the share entitlement ratio report prepared by M/s Bansal Abhinav & Co., Chartered Accountants and draft scheme of arrangement for demerger. We have relied on accuracy and completeness of all the information and explanations provided by the KMP's. We have not carried out any due diligence or independent verification or validation to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of demerged company/ resulting company or their subsidiaries, if any.
2. The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
3. We have no present or planned future interest in APM Industries Limited / APM Finvest Limited and the fee payable for this opinion is not contingent upon the opinion reported herein. The company has been provided with an opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.
4. Our fairness opinion is not intended to and does not constitute a recommendation to any shareholders as to how such holder should vote or act in connection with the scheme or any matter related thereto.
5. The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the KMP's of APM Industries Limited has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.
6. Our report should not be construed as an opinion or certificate certifying the compliance of the proposed scheme of demerger with the provisions of any law including Companies Act, 2013, Income Tax Act, 1961 and capital market related laws or as regards any legal implication or issues arising from proposed demerger.



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CHATURVEDI & PARTNERS

Chartered Accountants

1502, Chiranjiv Tower, 43 Nehru Place, New Delhi-110019

Phone : 011-41069164

Email : cpartners.delhi@gmail.com

To,
The Board of Directors,
APM Industries Limited
SP-147, RIICO Industrial Area,
Bhiwadi, Dist. Alwar, Rajasthan - 301 019

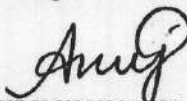
We, the statutory auditors of APM Industries Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 3 of Part C of the Draft Scheme of Arrangement for Demerger ("the scheme") between the Company and APM Finvest Limited and their respective shareholders and creditors in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 ("the Act"), other applicable provisions of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and circulars issued thereunder, with reference to its compliance with applicable Accounting Standards notified under the Act and other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of the APM Industries Limited pursuant to the requirements of circulars issued under LODR Regulations for onward submission to the BSE Limited. This Certificate should not be used for any other purpose without our prior written consent.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E


ANUJ MAHANSARIA
Partner
M.No.: 500819

Place: New Delhi
Dated: January 11, 2018



CP/APM/2018/1/1

DCS/AMAL/SD/R37/1198/2018-19

June 29, 2018

The Company Secretary,
APM INDUSTRIES LTD.
 SP 147, RIICO Industrial Area,
 Bhiwadi, Alwar, Rajasthan- 301019

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between APM Industries Ltd and APM Finvest Ltd.

We are in receipt of Draft Scheme of Arrangement between APM Industries Ltd and APM Finvest Ltd and their respective shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated June 28, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, 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.

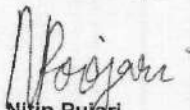
(2)

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.

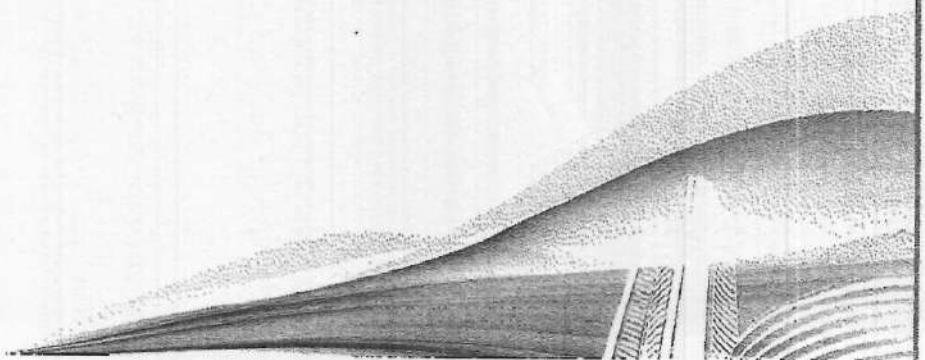
The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations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

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

Yours faithfully,



Nitin Pulgi
Sr. Manager





भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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दस्ती वितरण द्वारा

गै बै प वि जय.सं. 888/09.10.683/2017-18

मई 14, 2018

प्रबंध निदेशक,

एपीएम फिनवेस्ट लिमिटेड,

एसपी-147, रीको इंडस्ट्रियल एरिया, भिवाड़ी,

जिला अलवर, अलवर 301019

महोदय,

कंपनी की अंशधारिता में परिवर्तन हेतु पूर्वानुमती के लिए आवेदन

उपरोक्त विषयांतर्गत कृपया अपने दिनांकित मार्च 08, 2018 के पत्र का संदर्भ ग्रहण करें, जिसमें आपके द्वारा कंपनी की अंशधारिता में परिवर्तन हेतु पूर्वानुमती के लिए आवेदन किया गया था।

2. इस संबंध में आपको सूचित किया जाता है कि आपको कंपनी की अंशधारिता में परिवर्तन हेतु अनुमति प्रदान की जाती है। यह अनुमति भारतीय रिज़र्व बैंक द्वारा समय-समय पर जारी दिशानिर्देशों एवं संलग्नित अनुलग्नक (Annexure) में वर्णित निर्देशों एवं कार्यप्रणाली के अधीन है।

3. कृपया प्राप्ति की सूचना दें।

भवदीया,

काया त्रिपाठी

(काया त्रिपाठी)

महाप्रबंधक

संलग्न :- 2 प्रतियां /

नैर-बैंकिंग पर्यवेक्षण विभाग, भारतीय रिज़र्व बैंक, रामबाग सर्किल, टोंक रोड, जयपुर - 302004

फोन: 0141-2573201 ई-मेल: dnbsjaipur@rbi.org.in

Department of Non-Banking Supervision, Reserve Bank of India, Ram Bagh Circle, Tonk Road, Jaipur - 302004

Phone: 0141-2573201 E-mail: dnbsjaipur@rbi.org.in

चेतावनी: रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन-कॉल के जरिए कोई भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

हिन्दी आसान है, इसका प्रयोग बढ़ाइए।



अनुलग्नक (Annexure)

No objection to the change in control/management is granted subject to applicable terms & conditions, governing directives and instructions issued for NBFCs from time to time by the Reserve Bank of India, inter alia, with specific directions and modus operandi mentioned hereunder:

- (i) NBFCs shall continue to inform the Reserve Bank regarding any change in their directors/ management as required in Non-Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
- (ii) A public notice of at least 30 days shall be given before effecting the sale of, or transfer of the ownership by sale of shares, or transfer of control, whether with or without sale of shares. Such public notice shall be given by the NBFCs and also by the other party or jointly by the parties concerned.
- (iii) The public notice shall indicate the intention to sell or transfer ownership/ control, the particulars of transferee and the reasons for such sale or transfer of ownership/ control. The notice shall be published in at least one leading national and in one leading local (covering the place of registered office) vernacular newspaper.
- (iv) The provisions of these Directions shall be in addition to, and not in derogation of the provisions of any other laws, rules, regulations or directions, for the time being in force.
- (v) Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2014 dated May 26, 2014 though, stands repealed. Notwithstanding such repeal, any action taken, purported to have been taken or initiated under the directions hereby repealed shall continue to be governed by the provisions of the said directions.
- (vi) Any violation of the aforementioned directions would result in adverse regulatory action including cancellation of CoR.
- (vii) This no objection is valid only for six months. If the company fails to change its management within this timeframe, it has to apply again with reasons for failing to effect change in management on earlier occasion.

**SUMMARY OF SHARE ENTITLEMENT RATIO REPORT (VALUATION REPORT) ALONG WITH
BASIS OF SUCH VALUATION**

1. APM INDUSTRIES LIMITED and APM FINVEST LIMITED has engaged M/S Bansal Abhinav & Co. Chartered Accountants as independent valuers to recommend the Share Entitlement Ratio in connection with the proposed arrangement for demerger of finance and investment undertaking of APM Industries Limited and subsequent amalgamation with and into its wholly owned subsidiary APM Finvest Limited.
2. In connection with Demerger, the KMPs of the APM Industries Limited has requested M/S Bansal Abhinav & Co. Chartered Accountants to provide report on the ratio of allotment of equity shares of the APM Finvest Limited, Resulting Company to the shareholders of APM Industries Limited based on Information made available.
3. M/S Bansal Abhinav & Co. Chartered Accountants as independent valuers used following analysis under its procedure:
 - Audited Financial Statement of for the Year ended 31st March, 2017 and extract of unaudited financial statements as at 30th September, 2017.
 - Number of Equity shares of APM FINVEST LIMITED, resulting company proposed to be issued to the shareholders of APM INDUSTRIES LIMITED on the demerger of Demerged Undertaking into Resulting Company
 - Considered the draft Scheme of Arrangement
 - Considered the existing shareholding pattern of APM INDUSTRIES LIMITED, Demerged Company and the envisaged shareholding pattern of the Resulting Company.
4. The Management of the Company has informed that the face value of the shares of APM FINVEST LIMITED as on date is Rs. 2 per share, and as of report date the subscribed and paid up share capital of APM INDUSTRIES LIMITED consists of 21,611,360 equity shares of Rs. 2 each, based on the Value recommended the below mentioned share entitlement ratio:

For every 1 (one) Equity Shares of face value of Rs. 2/- (Rupees Two only) each held in APM Industries Limited (i.e. Demerged Company/AIL) as on the record date, the equity shareholders of APM Industries Limited (i.e. Demerged Company/AIL) shall be issued 1 (One) Equity Shares of face value of Rs.2/- (Rupees Two only) each credited as fully-paid up in APM Finvest Limited (i.e. Resulting Company/AFL).

5. In accordance with the Scheme, the Finance and Investment Undertaking of APM Industries Limited is being Demerged into its wholly owned subsidiary, that is, APM Finvest Limited, Resulting Company. Further, upon Demerger, the equity shareholders of APM Industries Limited will be allotted equity shares of APM Finvest Limited in proportion to their holding in APM INDUSTRIES LIMITED which shall then be listed at Stock Exchange(s) where the Shares of APM Industries are presently listed.

Further, the proposed cancellation and reduction of share capital of APM FINVEST LIMITED, Resulting Company to the extent held by the Demerged Company or through its nominees, will result in creation of mirror image proportionate shareholding of the Resulting Company as that of the Demerged Company. Accordingly, as such consequent to this demerger the economic beneficial interest of the shareholders of APM INDUSTRIES LIMITED shall remain same.

In light of the above a fair valuation of equity shares of APM INDUSTRIES LIMITED or APM FINVEST LIMITED has not been carried out.

For APM Finvest Limited

Sanjay Rajgarhia
Director
DIN 00154167

For APM Industries Limited

Jyoti Upadhyay
Company Secretary

SUMMARY OF FAIRNESS OPINION ON SHARE ENTITLEMENT RATIO (VALUATION REPORT) ON THE SCHEME OF ARRANGEMENT FOR DEMERGER

1. APM INDUSTRIES LIMITED and APM FINVEST LIMITED has engaged FINSHORE MANAGEMENT SERVICES LIMITED, a Category - 1 Merchant Banker registered with SEBI for providing their fairness opinion on the share entitlement ratio report (valuation report) issued by M/S Bansal Abhinav & Co. Chartered Accountants on the scheme of arrangement for demerger of Finance & Investment Undertaking of APM INDUSTRIES LIMITED and subsequent amalgamation with its wholly owned subsidiary, APM FINVEST LIMITED.
2. The basis of the Opinion is the rationale and benefits of Scheme of arrangement for the demerger and the sources of information of FINSHORE MANAGEMENT SERVICES LIMITED were:
 - Draft Scheme of Arrangement
 - Share Entitlement Ratio Report dated 8th January, 2018, issued by M/S Bansal Abhinav & Co. Chartered Accountants
 - Audited BALANCE SHEET and INCOME STATEMENT of APM INDUSTRIES LIMITED, Demerged Company and APM FINVEST LIMITED, Resulting Company.

3. CONCLUSION of FINSHORE MANAGEMENT SERVICES LIMITED:

The Present Scheme of Demerger has been structured to segregate the finance and investment undertaking having distinct and diverse business characteristics so as to capitalize on growth opportunities of each business.

Pursuant to scheme of arrangement the shares of APM FINVEST LIMITED, Resulting Company shall be listed on BSE, the stock exchange where the shares of the demerged company are presently listed.

Further, the proposed cancellation and reduction of share capital of APM FINVEST LIMITED, Resulting Company to the extent held by the Demerged Company or through its nominees, should result in creation of mirror image in proportionate shareholding of the Resulting Company as that of the Demerged Company. Thus, the economic interest of shareholders will remain unaffected post demerger

4. FINAL OPINION OF FINSHORE MANAGEMENT SERVICES LIMITED:

They have reviewed the share entitlement ratio report for the purpose of Scheme of Arrangement for the Demerger of Finance & Investment Undertaking of APM INDUSTRIES LIMITED and subsequent amalgamation with its wholly owned subsidiary, APM FINVEST LIMITED and is of opinion that:

"the share entitlement ratio of the 1 (one) equity shares of the face value of INR 2 (rupees two) each at par in Resulting Company for every 1 (one) equity shares of the face value of INR 2 (Rupees Two) held in demerged company, as fair and reasonable to the equity shareholders of APM INDUSTRIES LIMITED".

For APM Finvest Limited

Sanjay Rajgarhia
Director
DIN 00154167

For APM Industries Limited

Jyoti Upadhyay
Company Secretary

NARENDRA SINGHANIA & CO.
CHARTERED ACCOUNTANTS

To,
The Board of Directors,
APM Finvest Limited
SP-147, RIICO Industrial Area,
Bhiwadi, Rajasthan - 301019


We, the statutory auditors of APM Finvest Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 3 of Part C of the Draft Scheme of Arrangement for Demerger ("the Scheme") between the Company and APM Industries Limited and their respective shareholders and creditors in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 ("the Act"), other applicable provisions of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and circulars issued thereunder, with reference to its compliance with applicable Accounting Standards notified under the Act and other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the companies involved. Our responsibility is to examine and report whether the Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We have carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of the APM Finvest Limited pursuant to the requirements of circulars issued under SEBI LODR Regulations, 2015 for onward submission to the BSE Limited. This Certificate should not be used for any other purpose without our prior written consent.

For Narendra Singhania & Co.
Chartered Accountants
Firm Registration No.: 009781N


Narendra Singhania
Partner
Membership No. 087931

Place: New Delhi
Date: 10 January 2018



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APM INDUSTRIES LIMITED

910, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019

Phone : (011) 26441015-17 Fax : (011) 26441018

E-mail : delhi@apmindustries.co.in

CIN No. : L21015RJ1973PLC015819

Website : www.apmindustries.co.in

APMIL/OI

April 3, 2018

To,
Listing Department,
BSE Limited
Phiroz Jejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Dear Sir/Madam,

Ref: BSE Scrip Code: 523537

Sub: Submission of Complaint Report as per Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 w.r.t. Draft Scheme of Arrangement for demerger of Finance and Investment undertaking of APM Industries Limited and subsequent amalgamation with its wholly owned subsidiary, APM Finvest Limited as per the provisions of Section 230-232 of Companies Act, 2013

This is in reference to our application No. 74997 filed with BSE Limited ('BSE') on 23rd February, 2018, through BSE Listing Centre seeking "Observation Letter/ No-Objection Letter" under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Draft Scheme of Arrangement for demerger of Finance and Investment undertaking of APM Industries Limited ("AIL") (*Demerged Company*) and subsequent amalgamation with its wholly owned subsidiary, APM Finvest Limited ("AFL") (*Resulting Company*) as per the provisions of Section 230-232 of Companies Act, 2013 ('the Scheme').

Since the Scheme and related documents thereon were uploaded/hosted by BSE on their website on 9th March, 2018, the Company is required to submit the Report on Complaints within 7 days of completion of 21 days from the date of uploading/ hosting of Draft Scheme and other related documents on website of BSE Limited (*i.e. the Stock Exchange where the securities of APM Industries Limited [Demerged Company] are listed*)



Regd. Office & Works : SP-147, RIICO Industrial Area, Bhiwadi, Distt - ALWAR - 301 019 (RAJ.)



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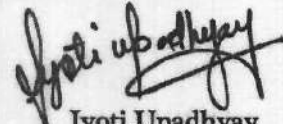
Accordingly, we enclose herewith the Report on Complaints as received by the Company during the period of 21 days from the date of uploading (viz. 9th March, 2018) of Draft Scheme and other related documents on website of BSE Limited (*i.e. the Stock Exchange where the securities of APM Industries Limited [Demerged Company] are listed*) viz. upto 30th March, 2018, in Format prescribed under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. (Annexed hereto as Annexure - I)

Kindly take the same on your record and provide us necessary "No Objection / Observation Letter" at the earliest to enable us to file the Draft Scheme of Arrangement for demerger amongst APM Industries Limited ("AIL") (*Demerged Company*) and APM Finvest Limited ("AFL") (*Resulting Company*) and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of Companies Act, 2013 to the National Company Law Tribunal, New Delhi.

Thanking You,

Yours Faithfully,
For APM Industries Limited




Jyoti Upadhyay
(Company Secretary)

ENCL: As Above



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ANNEXURE - I

COMPLAINT REPORT

Part A

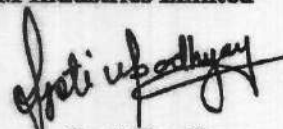
Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/ Pending)
			N.A.

For APM Industries Limited




Jyoti Upadhyay
(Company Secretary)



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ANNEXURE 11

ANNEXURE -1

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF APM INDUSTRIES LIMITED APPROVED BY WAY OF RESOLUTION BY CIRCULATION, EXPLAINING EFFECT OF THE SCHEME OF ARRANGEMENT ON THE SHAREHOLDERS (INCLUDING PROMOTER & NON PROMOTERS) & KEY MANGERIAL PERSONAL OF THE COMPANY

The Board of Directors (hereinafter referred to as 'The Board') of APM INDUSTRIES LIMITED (hereinafter referred to as 'AIL' or 'The Company' or 'Demerged Company') at its meeting held on 11TH January, 2018 had considered and approved the Scheme of Arrangement (hereinafter referred to as 'The Scheme') among APM INDUSTRIES LIMITED and its wholly owned subsidiary APM FINVEST LIMITED (hereinafter referred to as 'AIL' or 'Resulting Company'), and their respective shareholders and creditors pursuant to Section 230 to 232 of the Companies Act, 2013, which provides for the demerger of finance and investment undertaking of Demerged Company and transfer and vesting thereof into the Resulting Company.

While deliberating on the Scheme, the Board had inter alia considered and taken on record:

- Scheme of Arrangement;
- Share Entitlement Ratio Report (Valuation Report) issued by M/s Bansal Abhinav & Co. , Chartered Accountants dated 8th January, 2018, providing the share entitlement ratio viz exchange ratio as under:

For every 1 (one) Equity Shares of face value of Rs. 2/- (Rupees Two only) each held in APM Industries Limited (i.e. Demerged Company/AIL) as on the record date, the equity shareholders of APM Industries Limited (i.e. Demerged Company/AIL) shall be issued 1 (One) Equity Shares of face value of Rs.2/- (Rupees Two only) each credited as fully-paid up in APM Finvest Limited (i.e. Resulting Company/AFL).

- Fairness opinion on Share Entitlement Ratio in the Scheme, dated 9th January, 2018 issued by M/s Finshore Management Services Limited, a SEBI Registered (Category - 1) Merchant Banker;
- Auditor Certificate from M/s Cahturvedi & Partners, Chartered Accountants, Statutory Auditors of the Company confirming the accounting treatment mentioned in the scheme of arrangement is in compliance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
- Report of Audit Committee dated 11th January, 2018 recommending the Scheme to the Board, for their approval;



R - 2



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- Undertaking from the Company in relation to the non-applicability of the requirements prescribed in paragraph (1) (A) (9) of the SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017, to the Scheme and
- Certificate from M/s Cahturvedi & Partners, Chartered Accountants, Statutory Auditors of the Company certifying the non-applicability of the requirements prescribed in paragraph (1) (A) (9) of the SEBI Circular No. CFD/ DIL3/ CIR/2017/21 dated 10th March, 2017, to the Scheme

After taking on record the documents/ confirmation as referred above, the Board of AIL approved the Scheme of Arrangement, with 1st April, 2018 as appointed date.

As per Section 232 (2) (c) of the Companies Act, 2013, a report is required to be adopted by the Board of Directors explaining effect of arrangement on each class of shareholders, key managerial personnel, promoters and non-promoters shareholders lying out in particular the share exchange ratio, specifying any special valuation difficulties, and is further also required to be circulated along with the notice for the meeting of the Shareholders and/or Creditors to be convened, pursuant to the order of the Tribunal.

The following report is took into consideration the aforesaid provisions:

1. Share Entitlement Ratio Report was obtained from M/s Bansal Abhinav & Co. , Chartered Accountants dated 8th January, 2018, providing the share entitlement ratio viz. exchange ratio as under:

For every 1 (one) Equity Shares of face value of Rs. 2/- (Rupees Two only) each held in APM Industries Limited (i.e. Demerged Company/AIL) as on the record date, the equity shareholders of APM Industries Limited (i.e. Demerged Company/AIL) shall be issued 1 (One) Equity Shares of face value of Rs.2/- (Rupees Two only) each credited as fully-paid up in APM Finvest Limited (i.e. Resulting Company/AFL).

No Special valuation difficulties were reported by M/s Bansal Abhinav & Co., Chartered Accountants in their aforesaid report

Further, a fairness opinion on the above mentioned share entitlement ratio/ exchange ratio as ascertained by the independent Chartered Accountant as mentioned above, has also been obtained by M/s Finshore Management Services Limited, a SEBI Registered (Category - 1) Merchant Banker;

2. Effect of the Scheme arrangement on promoters and non-promoters shareholders of AIL:
 - There are only one class of shareholders viz. equity shareholders which includes the promoters as well as non-promoter shareholder in AIL;
 - Upon Demerger becoming effective, the Shareholder of AIL will receive shares in the Resulting Company based on the above mentioned Share Entitlement Ratio;

2-2018





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- There will be no dilution or increase in the shareholding of the promoter or the non-promoter shareholder of AIL; and
 - Further, the shareholders of AIL, who are classified as promoters and public shareholders currently, after receiving equity shares in the Resulting Company by virtue of demerger would be classified as promoters and public shareholders of Resulting Company in the same manner as that in AIL and the interest of these shareholders will remain unaffected post demerger.
3. Effect of the arrangement on Key Managerial Personnel ('KMP') of AIL:
- KMPs who hold shares in AIL as on the record date would be allotted shares in the resulting company on the basis of above mentioned Share Entitlement Ratio and there will be no adverse effect of the Scheme of arrangement on the KMPs of AIL as well as AFL.
4. Further, the proposed cancellation and reduction of share capital of APM FINVEST LIMITED, Resulting Company to the extent held by the Demerged Company or through its nominees, will result in creation of mirror image proportionate shareholding of the Resulting Company as that of the Demerged Company. Thus, the interest of shareholders will remain unaffected post demerger.

For and on Behalf of the Board of
APM INDUSTRIES LIMITED



Rajendra Kumar Rajgarhia
(Chairman)

DIN No. 00141766

Address: W-13 Greater Kailash - II,
New Delhi 110048



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APM INDUSTRIES LIMITED

ANNEXURE 12

910, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019

Phone : (011) 26441015-17 Fax : (011) 26441018

E-mail : delhi@apmindustries.co.in

CIN No. : L21015RJ1973PLC015819

Website : www.apmindustries.co.in

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018

Sl. No.	Particulars	(Rs. In lakhs) except EPS			
		Standalone			
		Quarter ended		Year ended	
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		Unaudited	Audited	Unaudited	Audited
1	Revenue from Operations	7,071	6,168	7,933	27,578
2	Other Income	95	435	278	886
3	Total revenue (1 + 2)	7,166	6,603	8,211	28,464
4	Expenses				
a)	Cost of materials consumed	3,471	3,774	3,732	15,295
b)	Changes in Inventories of Finished Goods and Work-in-Progress	890	(438)	1,132	182
c)	Employees benefits expense	916	935	939	3,850
d)	Finance costs	122	120	98	408
e)	Depreciation and amortization expense	133	126	115	485
f)	Excise duty expenses	-	-	-	6
g)	Other expenses	1,509	1,713	1,516	6,436
	Total Expenses	7,041	6,230	7,532	26,662
5	Profit before Exceptional Items and Tax (3 - 4)	125	373	679	1,802
6	Exceptional Items	-	-	-	-
7	Profit before tax (5 - 6)	125	373	679	1,802
8	Tax expenses				
a)	Current Tax (including Prior Period Tax Adjustment and net of MAT Credit Entitlement)	28	54	144	256
b)	Deferred Tax	10	4	33	292
9	Profit for the period (7 - 8)	87	315	502	1,254
10	Other comprehensive income				
a)	Items that will not be reclassified to profit or loss	*	(3)	1	(2)
b)	Income tax relating to items that will not be classified to profit or loss	**	1	***	1
c)	Items to be reclassified subsequently to profit or loss	-	-	-	-
d)	Income tax relating to items that will be classified to profit or loss	-	-	-	-
11	Total comprehensive income for the period [comprising Profit/(Loss) for the period (after tax) and other comprehensive income (after tax)]	87	313	503	1,253
12	Paid-up equity share capital (Face value of Rs.2 per share)	432	432	432	432
13	Earnings per share (EPS) (Face value of Rs.2 per share)				
-	Basic and diluted EPS (figures for the quarter not annualized)	0.40	1.46	2.32	5.81

*Actuarial losses of Rs.0.41 lakh

**Deferred tax income of Rs.0.14 lakh

***Deferred tax expense of Rs.0.29 lakh



Regd. Office & Works : SP-147, RIICO Industrial Area, Bhiwadi, Distt - ALWAR - 301 019 (RAJ.)



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APM INDUSTRIES LIMITED

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CIN No. : L21015RJ1973PLC015819

Website : www.apmindustries.co.in

NOTES:

1. The above Unaudited Standalone Financial Results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meeting held on August 6, 2018. The Auditors of the Company have carried out a "Limited Review" of the financial results for the quarter ended June 30, 2018.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
3.
 - a. On June 29, 2018, the Company has received Observation Letter from BSE Limited containing in principal approval regarding draft Scheme of Arrangement between APM Industries Limited and its wholly owned subsidiary APM Finvest Limited and the same is being posted on the Company's website at the given link <http://apmindustries.co.in/wp-content/uploads/2018/06/BSE-observation-letter.pdf>.
 - b. The company will shortly file the scheme of arrangement before NCLT, Jaipur Bench. Pending approval/sanction of the scheme the Company has not given effect of the scheme in the financial results for the quarter ended June 30, 2018.
4. The operations of the company relate to two segments viz. yarn and finance and investment.

		(Rs. in Lakhs)			
S. No.	Particulars	Standalone			
		Quarter ended		Year ended	
		30.06.2018	31.03.2018	30.06.2017	31.03.2018
		Unaudited	Audited	Unaudited	Audited
1	Segment Revenue				
	– Yarn	7,048	6,655	7,958	27,859
	– Finance and Investment	23	(52)	253	605
	Total	7,071	6,603	8,211	28,464
2	Segment profit before tax and finance cost				
	– Yarn	241	545	524	1,607
	– Finance and Investment	6	(52)	253	603
	Total	247	493	777	2,210
	Less: Finance Cost	122	120	98	408
	Total Profit before tax	125	373	679	1,802
3	Segment Assets				
	– Yarn	21,622	22,248	21,340	22,248
	– Finance and Investment	7,327	7,290	6,233	7,290
	– Unallocable	244	229	248	229
	Total	29,193	29,767	27,821	29,767
4	Segment Liabilities				
	– Yarn	6,394	7,061	5,672	7,061
	– Finance and Investment	-	-	103	-
	– Unallocable	3,713	3,706	3,661	3,706
	Total	10,107	10,767	9,436	10,767

5. The Company has opted to publish only unaudited standalone financial results for the quarter/half year ended. The Company would consolidate and present its consolidated financial statement for the year ended March 31, 2019.

Place: New Delhi
Date: August 6, 2018



R K RAJGARHIA
CHAIRMAN

CHATURVEDI & PARTNERS

Chartered Accountants

410, Shakuntla Building, 59, Nehru Place, New Delhi-110019

Phone : +91 11 41069164

E-mail : cpartners.delhi@gmail.com

Independent Auditor's Review Report on Standalone Interim Financial Results of APM Industries Limited for the Quarter ended June 30, 2018 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of APM Industries Limited

We have reviewed the accompanying Statement of unaudited Standalone Financial Results of **APM Industries Limited** ("the Company") for the quarter ended June 30, 2018 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

This statement, which is the responsibility of the company's management and approved by the Board of Directors, has been compiled from the related interim standalone financial statements which has been prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34"), specified under Section 133 of the Companies Act 2013, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

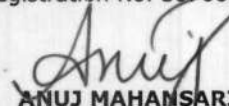
We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the applicable Indian Accounting Standards (i.e. Ind AS) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

New Delhi
August 06, 2018



For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Registration No. 307068E


ANUJ MAHANSARIA
Partner
Membership No. 500819

APM Finvest Limited

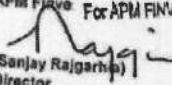
Corporate Office: 910, Chiranjiv Tower, 43 – Nehru Place, New Delhi – 110019
Phone: (011) 26441015-17, Fax: (011) 26441018, Email: apmfinvestltd@gmail.com
CIN No.: U65990RJ2016PLC054921

APM Finvest Limited
CIN. - U65990RJ2016PLC054921

Statement of Balance Sheet as at 30 June 2018 (Amount in Rupees)

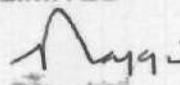
Particulars	As at 30 June 2018	As at 31 March 2018
ASSETS		
Non-current assets		
Property, Plant and Equipment	-	-
Deferred tax assets	62,404	62,404
Non current tax assets	-	-
TOTAL	62,404	62,404
Current assets		
Inventories	-	-
Financial Assets	-	-
Investments	2,17,28,750	2,14,55,000
Trade receivable	-	86,548
Cash and cash equivalents	15,31,622	12,53,289
Other Balances with Bank	-	-
Loans	-	-
Other current assets	-	-
TOTAL	2,32,60,372	2,27,94,817
GRAND TOTAL	2,33,22,776	2,28,57,221
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	2,00,00,000	2,00,00,000
Other Equity	31,37,408	26,35,880
TOTAL	2,31,37,408	2,26,35,880
LIABILITIES		
Non-current liabilities		
Borrowings	-	-
Provisions	-	-
Current liabilities		
Financial Liabilities		
Trade payables	1,72,768	1,72,055
Other Financial Liability	12,600	49,306
Other current liabilities	-	-
TOTAL	1,85,368	2,21,361
GRAND TOTAL	2,33,22,776	2,28,57,221

Date: 27.10.2018
Place: New Delhi

For & on Behalf of
APM Finvest For APM FINVEST LIMITED

(Sanjay Rajgarhia) Director
DIN: 00154167

Regd. Office: SP-147, RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan – 301019

For APM FINVEST LIMITED


Director

APM Finvest Limited

Corporate Office: 910, Chiranjiw Tower, 43 – Nehru Place, New Delhi – 110019
Phone: (011) 26441015-17, Fax: (011) 26441018, Email: apmfinvestltd@gmail.com
CIN No.: UB5990RJ2016PLC054921

APM Finvest Limited
CIN - U45400DL2015PTC285164

Statement of Profit and Loss for the period ended 30 June 2018

Particulars	(Amount in Rupees)	
	For the period ended 30 June 2018	For the period ended 31 March 2018
REVENUE		
Revenue From Operations	3,32,877	15,58,820
Other income	-	502
Total	3,32,877	15,59,322
EXPENSES		
(Increase)/Decrease in inventories	-	-
Material Purchased/Sub-Contractor Expenses	-	-
Employee Benefits Expense	-	-
Finance Cost	-	-
Depreciation and amortization expense	-	-
Other Expenses	26,078	2,09,873
Total	26,078	2,09,873
Profit/(loss) before tax	3,06,799	13,49,249
Tax expense:		
Current Tax	79,001	3,08,957
Deferred Tax	-	37,443
	79,001	3,46,400
Profit (Loss) for the period	2,27,798	10,02,849
Other Comprehensive Income		
Items that will be reclassified to profit or loss	2,73,750	15,32,484
Items that will not be reclassified to profit or loss	-	-
	2,73,750	15,32,484
Total Comprehensive Income for the period (Comprising Profit/ (Loss) and Other Comprehensive Income for the period)	5,01,548	25,35,333
Earnings per equity share (Face value of Rs 10/- each)		
Basic	0.25	1.27
Diluted	0.25	1.27

Date: 27.10.2018
Place: New Delhi

For & on Behalf of For APM FINVEST LIMITED
APM Finvest Limited

(Sanjay Rajgarhia) Director
DIN: 00154167

Regd. Office: SP-147, RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan – 301019

For APM FINVEST LIMITED

Director

BEFORE NATIONAL COMPANY LAW TRIBUNAL – JAIPUR BENCH
COMPANY APPLICATION NO. CA (CAA) 33/230-232/JPR/2018 of 2018

IN THE MATTER OF
Companies Act, 2013
Section 230 and 232 of Companies Act, 2013

AND

IN THE MATTER OF COMPOSITE SCHEME OF ARRANGEMENT OF:

APM Industries Limited
Having its registered office at:
SP - 147, RIICO Industrial Area,
Bhiwadi, Rajasthan – 301 019

DEMERGED COMPANY
(APPLICANT COMPANY 1)

AND

APM Finvest Limited
Having its registered office at:
SP-147, RIICO Industrial Area,
Bhiwadi, Rajasthan - 301019

RESULTING COMPANY
(APPLICANT COMPANY 2)

AND

Their respective shareholders and creditors

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

APM INDUSTRIES LIMITED

CIN: L21015RJ1973PLC015819

Regd. Office: SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Raj.) - 301019

Tel: 01493 – 662400 Fax: 01493 – 662413,

Email: bhiwadi@apmindustries.co.in, delhi@apmindustries.co.in Website: www.apmindustries.co.in

Name of the Creditor:

Registered Address:

E-mail id:

I/We _____ being the Unsecured Creditor(s) of APM INDUSTRIES LIMITED hereby appoint the following as my/our Proxy to attend and vote on ballot voting for me/us and on my/our behalf at meeting of the Unsecured Creditors of the Company convened pursuant to the order of the Hon'ble National Company Law Tribunal, Jaipur Bench, to be held on 8th December, 2018 at 3:30 noon in respect of the resolution as indicated below.

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:

I/We direct my/our Proxy to vote on the Resolution in the manner as indicated below:

SR. NO.	RESOLUTION	FOR	AGAINST
1.	To approve the Scheme of Arrangement ("Scheme") among APM Industries Limited and its wholly owned subsidiary APM Finvest Limited , and their respective shareholders and creditors, for the demerger of finance and investment undertaking of APM Industries Limited and subsequent amalgamation of Demerged Undertaking with and intowholly its owned subsidiary APM Finvest Limited		

Signed this..... day of2018.

Signature of Unsecured Creditor.....

Signature of Proxy holder(s).....

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office or Corporate office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statements and Notes, please refer to the Notice of the Meeting.
3. The Company reserves its right to ask for identification of the proxy.

Affix Revenue Stamp

ATTENDANCE SLIP

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF APM INDUSTRIES LIMITED,
PURSUANT TO THE ORDER DATED 26th OCTOBER, 2018 BY HON'BLE NATIONAL COMPANY LAW TRIBUNAL,
JAIPUR – BENCH

APM INDUSTRIES LIMITED
CIN: L21015RJ1973PLC015819

Regd. Office: SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Raj.) - 301019

Tel: 01493 – 662400 Fax: 01493 – 662413,

Email: bhiwadi@apmindustries.co.in, delhi@apmindustries.co.in Website: www.apmindustries.co.in

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name and Address of the Unsecured Creditor/Proxy holder/Authorised Representative	
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I/We hereby record my presence at the meeting of the Unsecured Creditors of the Company convened pursuant to the order of the Hon'ble National Company Law Tribunal, Jaipur Bench, to be held on 8th December, 2018 at 3:30 noon

Signature of the Unsecured Creditor/Proxy holder /Authorized Representative

NOTE: Unsecured Creditor/Proxy holder/Authorized Representative wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance of the venue duly filled and signed.

ROUTE MAP

