

FORM NO.CAA. 2
[Pursuant to Section 230(3) and rule 6 and 7]

IN THE NATIONAL COMPANY LAW TRIBUNAL, JAIPUR BENCH, JAIPUR
Company Application No.04/JPR/2018
In the matter of the Companies Act, 2013

And

In the matter of Section 230 - 232 of the Companies Act, 2013

And

In the matter of Hem Multi Commodities Private Limited (Transferor Company 1)

And

In the matter of Hem Finlease Pvt. Ltd. (Transferor Company 2)

And

In the matter of Hem Securities Limited (Transferee Company)

1. Hem Multi Commodities Private Limited(Transferor Company-1), having its registered Office at 210, Jaipur Tower, M.I. Road Jaipur 302001 (Rajasthan).
2. Hem Finlease Pvt. Ltd.(Transferor Company-2), having its registered Office at 203, Jaipur Tower, M.I. Road Jaipur-302001 (Rajasthan).
3. Hem Securities Limited(Transferee Company), having its registered office at 203, Jaipur Tower, M.I. Road, Jaipur 302001 (Rajasthan).

....Applicants

NOTICE OF CONVENING THE MEETING OF THE UNSECURED CREDITORS

To,
**The Unsecured Creditors of Hem Securities Limited ("the Applicant Company/
Transferee Company")**

NOTICE is hereby given that by an Order dated 24th Day of August, 2018(the "Order"), the Hon'ble National Company Law Tribunal, Bench at Jaipur ("HON'BLE NCLT ") has directed a meeting to be held of the Unsecured creditors of the Transferee Company for the purpose of considering and if thought fit approving, with or without modification, the arrangement embodied in the Scheme of Amalgamation and Arrangement of Hem Multi Commodities Private Limited (Transferor Company No. 1) and Hem Finlease Pvt. Ltd. (Transferor Company No.2) with Hem Securities Limited (Transferee Company) and their respective shareholders and creditors ("Scheme"). In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the Unsecured Creditors of the Transferee Company will be held at 203, Jaipur Tower, M.I. Road, Jaipur-302001 on Saturday, 29th Day of September, 2018 at 4:00 P.M. at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) as may be applicable and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Jaipur ("HON'BLE NCLT ") and subject to such other approval(s), permission(s) and sanction(s) of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by Hon'ble NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution) the arrangement embodied in the Scheme of Amalgamation and Arrangement of Hem Multi Commodities Private Limited (Transferor Company No. 1) and Hem Finlease Pvt. Ltd. (Transferor Company No. 2) with Hem Securities Limited (Transferee Company) and their respective shareholders and creditors ("Scheme") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

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

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Transferee Company at 203, Jaipur Tower, M.I. Road Jaipur-302001 (Rajasthan) not later than 48 (Forty Eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Transferee Company.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the index, can be obtained free of charge at the registered

office of the Transferee Company at 203, Jaipur Tower, M.I. Road Jaipur-302001 (Rajasthan), India.

Hon'ble NCLT has appointed undersigned, Mr. Sandeep Taneja, Advocate as Chairperson, and Mr. Anuroop Singhi, Advocate as alternate chairperson of the said meeting of the Applicant Company.

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

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Dated: 28.08.2018
Place: Jaipur

Sd/-
Sandeep Taneja, Advocate
(Chairman appointed for the meeting)

Registered Office:
203, Jaipur Tower,
M.I. Road Jaipur-302001 (Rajasthan)

Note:

- 1. Only unsecured creditors appearing in the records of the applicant Company and owing more than Rs. 10,000/- (Rupees Ten Thousand Only) as on February 28, 2018 will be entitled to exercise their right to attend and vote either in person or by proxy (a proxy need not be an unsecured creditor of the Applicant Company) or in the case of a body corporate, authorized representative under Section 113 of the Companies Act, 2013 at the meeting of the unsecured creditors of the Applicant Company. The authorized representative of a body corporate which is a unsecured creditor of the Applicant Company may attend and vote at the meeting of the unsecured creditors of the Applicant Company provided a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the meeting of the unsecured creditors of the Applicant Company is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the unsecured creditors of the Applicant Company. The Form of Proxy can be obtained free of charge at the registered office of the Applicant Company.*
2. Proxy form is annexed to the notice herewith and can also be obtained free of charge from the registered office of the Applicant Company.
3. All alterations made in the Form of Proxy should be initialled.
4. The quorum of the meeting of the unsecured creditors of the Applicant Company shall be 25% in both value term as well number of unsecured creditors of the applicant Company, present in person or proxy.

5. Unsecured Creditor or his proxy, attending the meeting, is requested to bring the Attendance slip duly completed and signed.
6. The documents referred in the accompanying Explanatory Statement shall be open for inspection by the unsecured creditors at the registered office of the Applicant Company between 11.00 a.m. and 1.00 p.m. on all days (except Sundays and Public Holidays) upto the date of meeting.
7. The Applicant Company shall provide the facility of ballot/polling paper at the venue of the meeting.
8. In accordance with the provisions of Sections 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority in number representing three fourth in value of the unsecured creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme.
9. The Notice, together with the documents accompanying the same, is being sent to the unsecured creditors either by registered post or by speed post or by Courier Service or by E-mail. The notice will be displayed on the website of the Applicant Company i.e. www.hemsecurities.com
10. The notice convening the meeting, the date of dispatch of the notice and explanatory Statement, amongst others, will be published through advertisement in the following newspapers, namely (i) The Times of India (Jaipur Edition) in the English language; and (ii) "Dainik Bhaskar" translation thereof in vernacular language (Jaipur Edition) in Hindi language.

Encl: As above

IN THE NATIONAL COMPANY LAW TRIBUNAL, JAIPUR BENCH, JAIPUR
Company Application No. 04/JPR/2018
In the matter of the Companies Act, 2013

And

In the matter of Section 230 - 232 of the Companies Act, 2013

And

In the matter of Hem Multi Commodities Private Limited (Transferor Company-1)

And

In the matter of Hem Finlease Pvt. Ltd. (Transferor Company-2)

And

In the matter of Hem Securities Limited (Transferee Company)

1. Hem Multi Commodities Private Limited (Transferor Company-1), having its registered Office at 210, Jaipur Tower, M.I. Road Jaipur 302001 (Rajasthan).
2. Hem Finlease Pvt. Ltd. (Transferor Company-2), having its registered Office at 203, Jaipur Tower, M.I. Road Jaipur-302001 (Rajasthan).
3. Hem Securities Limited (Transferee Company), having its registered office at 203, Jaipur Tower, M.I. Road, Jaipur 302001 (Rajasthan).

....Applicants

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

Pursuant to Order dated 24th day of August, 2018 of the Hon'ble National Company Law Tribunal, Bench at Jaipur, ("NCLT"), a Meeting of the Unsecured Creditors of Hem Securities Limited (hereinafter referred to as "**Applicant Company**" or "**Transferee Company**") is being convened at 203, Jaipur Tower, M.I. Road Jaipur-302001 (Rajasthan) on Saturday, 29th Day of September, 2018 at 4:00 P.M. for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation and Arrangement Hem Multi Commodities Private Limited, (hereinafter referred to as "**Transferor Company-1**") and Hem Finlease Pvt. Ltd., (hereinafter referred to as "**Transferor Company-2**") with Hem Securities Limited, (hereinafter referred to as "**Applicant Company/Transferee Company**"), and their respective Shareholders and creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). Hem Multi Commodities Private Limited, Hem Finlease Pvt. Ltd. and Hem Securities Limited are together referred to as the "Companies". A copy of the Scheme, which has been, inter alia, approved by the Board of Directors of the Applicant Company at their respective meetings held on 26th April, 2018, is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.

1. In terms of the said Order, the quorum for the said meeting shall be 25% in both value term as well number of unsecured creditors. For the purpose of computing the quorum the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filled with the registered office of the Applicant Companies at least 48 hours before the meetings. Further in terms of the said Order, HON'BLE NCLT, has appointed Mr. Sandeep Taneja, Advocate as the Chairperson, and in his absence, Mr. Anuroop Singhi, Advocate to be the Chairperson of the meeting of the Applicant Company including for any adjournment or adjournments thereof.

2. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the “Act”) read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the “Rules”).
3. As stated earlier, HON’BLE NCLT by its order has, inter alia, directed that a Meeting of the Unsecured Creditors of the Applicant Company shall be convened at 203, Jaipur Tower, M.I. Road Jaipur-302001 (Rajasthan) on Saturday, 29th Day of September, 2018 at 4:00 P.M. the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the scheme. Unsecured creditors would be entitled to vote in the said meeting either in person or through proxy.
4. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourth in value of the unsecured creditors of the Applicant Company, voting in person or by proxy agree to the Scheme.
5. In terms of Order dated 24th day of August, 2018, passed by Hon’ble NCLT, if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the Unsecured creditors are disputed, the Chairperson of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting.

Particulars of Applicant Company

6. Hem Securities Limited (CIN:U67120RJ1995PLC010390) is a public limited company incorporated under the provisions of the Companies Act, 1956 and presently having its registered office at 203, Jaipur Tower, M.I. Road, Jaipur-302001 (Rajasthan). The Transferee Company was originally incorporated as a public limited company on July 14, 1995, under the name and style of Hem Securities Limited under the Companies Act, 1956 as per the Certificate of Incorporation issued by the Registrar of Companies, Rajasthan. Email id of the Company is info@hemsecurities.com. The PAN of the company is AABCH8005N. The main business carried out by the Company is dealing in securities.
7. The objects for which Applicant Company has been established are set out in its Memorandum of Association. Some of the relevant objects of Applicant Company are as follows:
 - To carry on the business as share and stock brokers, underwriters, sub-underwriters, agents and brokers for taking hold, dealing in converting stocks, shares and securities of all kinds, brokers for units of Unit Trust of India, brokers for debentures, bonds, Government Securities, National Savings Certificates, small savings scheme and for securities of all kinds and to carry on the above business in India or abroad.
 - To establish and carry on the business of investment/merchant banking custodian services sponsoring and market maker of issues at OTCEI/any other stock exchange and financial services including underwriting for securities, managing public issues of shares/debentures of public limited companies, acting as issue house, share transfer agents and registrars to public issue of shares/debentures/other securities, collecting

applications from public and right issues, providing financial consultancy, placement of commercial paper and procurement of loans from banks, financial institutions, and to promote, establish, finance or in any other manner support or encourage establishment of industrial enterprises engaged in industrial financial and trading activities however the company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.

- To carry on and undertake the business of portfolio management schemes and to manage the funds of the investors by investment in various avenues like growth funds, income fund, risk fund, tax exemption funds/schemes, pension/superannuation funds and to pass on the benefits of portfolio investments to the investors as dividends bonus, interest etc. and to provide a complete range of other personal financial services like investment planning, estate planning, tax planning, consultancy/counselling services and to undertake the business of arranging/managing and/or providing venture capital, seed capital, risk capital, promoters capital.

8. There are no subsidiaries, Joint ventures and associates of the Applicant Company.
9. The Authorised, Issued, Subscribed and Paid up Share Capital of Applicant Company as on 28th February 2018 was as follows:

Particulars	Amount (INR)
Authorised share capital	
60,00,000 equity share capital of face value INR 10/- each	6,00,00,000
TOTAL	6,00,00,000
Issued, Subscribed and Paid up share capital	
60,00,000 equity share capital of face value INR 10/- each	6,00,00,000
TOTAL	6,00,00,000

There is no change in the capital structure of the Company as on date.

10. The Applicant Company has no outstanding employee stock options and stock units as per the provisions of the Companies Act, 2013.

Particulars of Hem Multi Commodities Private Limited (Transferor Company-1)

11. Hem Multi Commodities Private Limited(CIN: U67120RJ1995PTC010383) is a private limited company incorporated under the provisions of the Companies Act, 1956 and presently having its registered office at 210, Jaipur Tower, M.I. Road Jaipur 302001 (Rajasthan). The Transferor Company-1 was incorporated as a private limited company on July 14, 1995, under the name and style of Bairathi Securities Private Limited under the Companies Act, 1956 as per the Certificate of Incorporation, issued by the Registrar of Companies, Rajasthan. The name of the company was subsequently changed to M/s. Bairathi Multi Commodities Private Limited and accordingly a fresh Certificate of Incorporation consequent on change of name was issued by the Registrar of Companies on August 27, 2003. Thereafter the name of the company was again changed from M/s.

Bairathi Multi Commodities Private Limited to M/s. Hem Multi Commodities Private Limited and accordingly a fresh Certificate of Incorporation was issued by the Registrar of Companies, Rajasthan on July 30, 2004. Email id of the company is info@hemsecurities.com. The PAN of the company is AAACB6500H. The main business carried out by the Company is dealing in securities.

12. The objects for which Transferor Company-1 has been established are set out in its Memorandum of Association. Some of the relevant objects of Transferor Company-1 are as follows:

- To carry on the business of trading in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities.
- To carry on the business as brokers, sub brokers, market makers, arbitrageurs, investors and/or hedger in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities permitted under the laws of India.
- To become members and participates in trading, settlement and other activities of commodity exchange/s (including national multi-commodity exchange/s) facilitating, for itself or for clients, trades and clearing/settlement of trades in spots, in futures and in derivatives of nil the above commodities permitted under the laws of India.”

13. There are no subsidiaries, Joint ventures and associates of the Transferor Company-1.

14. The Authorised, Issued, Subscribed and Paid up Share Capital of Transferor Company-1 as on 28th February 2018 was as follows:

Particulars	Amount (INR)
Authorised share capital	
15,00,000 equity shares of face value of INR 10/- each	1,50,00,000
TOTAL	1,50,00,000
Issued, Subscribed and Paid up share capital	
15,00,000 Issued, subscribed and fully-paid up equity shares of face value of INR 10/- each.	1,50,00,000
TOTAL	1,50,00,000

There is no change in the capital structure of the Company as on date.

15. The Transferor Company-1 has no outstanding employee stock options and stock units as per the provisions of the Companies Act, 2013.

Particulars of Hem Finlease Pvt. Ltd.(Transferor Company-2)

16. Hem Finlease Pvt. Ltd. (CIN: U65910RJ1996PTC011799) is a private limited company incorporated under the provisions of the Companies Act, 1956 and presently having its registered office at 203, Jaipur Tower, M.I. Road Jaipur-302001 (Rajasthan). The Transferor Company-2 was incorporated as a private limited company on March 27, 1996, under the name and style of Hem Finlease Pvt. Ltd. under the Companies Act, 1956 as per the Certificate of Incorporation issued by the Registrar of Companies, Rajasthan. Email id of the company is info@hemsecurities.com. The PAN of the company is AAACH6033P. The main business carried out by the Company is dealing in securities.

17. The objects for which Transferor Company-2 has been established are set out in its Memorandum of Association. Some of the relevant objects of Transferor Company-2 are as follows:

- To undertake and carry on the business as share and stock brokers, finance brokers and act as sub-brokers to execute all kinds of financial commercial and trading operations and other transactions either on behalf of clients or otherwise to invest in and acquire and hold, sell, buy or otherwise deal in shares, stocks, debentures, debenture stocks, bonds, securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and securities issued or guaranteed by Indian or foreign governments, state dominion, sovereign ruler, commissioner, public body or authority, supreme, municipal, local or otherwise, whether in India or elsewhere by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same either conditionally or otherwise and to guarantee the subscription there of and to exercise and enforce all right and powers conferred by or incidental to the ownership there of and to dispose of, sell, exchange, transfer or alienate any of the company's investment and any other securities and quota/licence or any other financial instruments listed or permitted in recognised stock exchange, OTC, other government/semi-government institution/body or traded otherwise, either for ready or on forward transactions and to discount, buy, sell and deal in bills of exchange, letters of credits, notes warrants, coupons, suits and decrees for money granted by any court in the union of India and other negotiable of transferable securities or documents in which dealing is permissible as per stock exchange regulations and other laws in force from time to time.
- To establish and carry on the business of investment/merchant banking and financial services including underwriting for securities, managing public issues of shares/debentures of limited companies, acting as issue house, shares transfer agents and registrars to public issue of shares/ debentures/ other securities, providing, financial consultancy and procurement of loans from banks, financial institutions, mutual funds and to promote, establish, finance or in any other manner support of encourage establishment of industrial enterprises engaged in industrial, financial and trading activities however the company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.

- To carry on and undertake the business of portfolio management schemes and to manage the funds of the investors by investment in various avenues like growth fund, income fund risk fund, tax exemption funds/schemes, pension/superannuation funds and to pass on the benefits of portfolio investments to the investors as dividends bonus, interest etc. and to provide a complete range of other personal financial services like investment planning, estate planning, tax planning, consultancy/counselling, services and to undertake the business arranging/managing and/or providing venture capital, seed capital, risk capital promoters capital etc.
- To carry on the business of industrial and general financiers, financing agents, financial brokers, brokers, investor's concessionaries, dealers contractors, booking agents, managers, trustees, advertisers to all kinds of securities and financial instruments and to from mutual funds, asset management company and to obtain membership registration of stock agency/ exchanges/ government/ semi government/ institutions/ bodies and to apply for and become a corporate member of any stock exchanges, national stock exchange of India (NSEI) or over the counter exchanges (OTCEI) in India, if permissible by law.
- To carry on business of leasing and hire purchase, investment in shares and securities, sick-industries Rehabilitation, Bridge financing, Bill discounting, International capital market operations, money market operations, share finance, venture capital finance and other inter-related activities of lending money financial industrial enterprises, borrow money, accepting deposits and loans.

18. There are no subsidiaries, Joint ventures and associates of the Transferor Company-2.

19. The Authorised, Issued, Subscribed and Paid up Share Capital of Transferor Company-2as on 28th February 2018was as follows:

Particulars	Amount (INR)
Authorised Share Capital	
17,50,000 equity shares of face value INR 10/- each	1,75,00,000
TOTAL	1,75,00,000
Issued, Subscribed and Paid up share capital	
17,50,000equity shares of face value INR 10/- each	1,75,00,000
TOTAL	1,75,00,000

There is no change in the capital structure of the Company as on date.

20. The Transferor Company-2 has no outstanding employee stock options and stock units as per the provisions of the Companies Act, 2013.

21. Description and Rationale for the Scheme

The amalgamation of Transferor Companies with Transferee Company is being proposed inter alia for the purpose of developing the potential for further growth and expansion of the business and to have better synergies, optimization of resources and fund raising capabilities. Membership of Stock Exchanges in name of Transferor Companies would be used in the single entity i.e. Transferee Company resulting in ease of operations.

The scheme provides, inter alia,

- I The amalgamation of Hem Multi Commodities Private Limited and Hem Finlease Pvt. Ltd. with Hem Securities Limited;
- II Cancellation of equity shares, if any held by either of the companies in other;
- III Merger of the authorized share capital of the transferor companies with the authorized share capital of the transferee company;
- IV Issuance of equity shares of the Transferee Company to the equity shareholders of the Transferor Companies;
- V Various other matters consequential to or otherwise integrally connected with the above.

The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act. The expected resulting structure, expected shareholding pattern, swap and entitlement ratio are as under:

	Shareholding pattern of the transferee company - pre and post amalgamation			
Category	Pre-Amalgamation as on 28th February 2018		*Post Amalgamation	
	Total no of Shares	% of total no. of shares	Total no of Shares	% of total no. of shares
Promoters and Promoter Group (A)		(A) / (A)+(B)		(A) / (A)+(B)
1. Indian:				
Individual	1650000	27.50	2298674	27.14
Bodies Corporate	4350000	72.50	6172063	72.86
Sub Total (A1)	6000000	100.00	8470737	100.00
2. Foreign Promoters				
Sub Total (A2)	-	-	-	-
Sub Total A(A1+A2)	6000000	100.00	8470737	100.00
Public (B)				
1. Institutional Investors	-	-	-	-
Financial Institutions/Banks	-	-	-	-
Sub Total (B1)	-	-	-	-
2. Non- Institutions				
Bodies Corporate	-	-	-	-
Individuals	-	-	-	-

NRI	-	-	-	-
Sub Total (B2)	-	-	-	-
Sub TotalB (B1+B2)	-	-	-	-
Total (A) + (B)	6000000	100.00	8470737	100.00
Custodian (C)	-	-		
Grand Total (A) + (B) + (C)	6000000	100.00	8470737	100.00

*The post amalgamation shareholding pattern has been drawn taking into consideration shareholding pattern of the transferor companies as on 28th February, 2018 and the following share entitlement ratio:

- a) equity shares of face value Rs. 10/- (Rupees Ten Only) each credited as fully paid up of the Transferee Company in the ratio of 100 (One Hundred) equity shares of the face value of Rs. 10/- (Rupees Ten Only) each of the Transferee Company for every 1,193 (One Thousand One hundred and NinetyThree equity shares of Rs. 10/- (Rupees Ten Only) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company-1.
- b) equity shares of face value Rs. 10/- (Rupees Ten Only) each credited as fully paid up of the Transferee Company in the ratio of 134 (One Hundred and ThirtyFour) equity shares of the face value of Rs. 10/- (Rupees Ten Only) each of the Transferee Company for every 100 (One Hundred) equity shares of Rs. 10/- (Rupees Ten Only) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company-2.

22. The Rationale stated above is explained as under and would further *inter alia* have the following benefits:

- a) The combination of Transferee Company and Transferor Companies brings strength that each company does not necessarily possess individually.
- b) The Transferor Companies and Transferee Company intend to achieve larger product portfolio, economies of scale, efficiency, and other related economies by consolidating the business operations being managed under the same management. This scheme of arrangement intends to merge the operations of the Transferor Companies with that of the Transferee Company to fulfil this objective.
- c) The Transferee Company will have the benefit of the combined resources of Transferor Companies and Transferee Company. The Transferee Company would be in a position to carry on consolidated operations through optimum utilization of resources, avoidance of duplication and better financial strength.
- d) Elimination of administrative functions and multiple record-keeping and multiple regulatory compliances, thus resulting in reduced expenditure and

productivity gains by pooling of financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the parties.

- e) Improved shareholder value for the companies by way of improved financial structure and cash flows, increased asset base and stronger consolidated revenue and profitability.
- f) This scheme of amalgamation will enable the clients in ease of operation of their Demat/ trading accounts and to trade at all the stock exchanges of transferor and transferee companies with the single entity. i.e. Transferee Company.
- g) The amalgamation pursuant to this scheme will create a focussed platform for future growth of Transferee Company.

23. Major Developments/ Actions post announcement of the scheme

There is as such no major Developments/Actions post announcement of the scheme.

24. Corporate approvals

The proposed Scheme was placed before the Board of Hem Securities Limited, at its meeting held on 26th April, 2018. The Board of Hem Securities Limited, took into account the Share Swap Ratio Report, dated 26th April, 2018, issued by M/s. R.Sogani And Associates, Chartered Accountants(the “**Share Swap Ratio Report**”). A copy of the Share Swap Ratio Report is enclosed as **Annexure 2**. The Share Swap Ratio Report is also open for inspection. The meeting of the Board of Directors of Hem Securities Limited, held on 26th April, 2018, was attended by 4(Four) directors Mr. Hem Chand Jain, Ms. Indu Jain, Mr. Prateek Jain and Mr. Gaurav Jain. None of the directors of Hem Securities Limited who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Hem Securities Limited who attended and voted at the meeting.

The Scheme along with the Share Swap Ratio Report was placed before the Board of Directors of Hem Multi Commodities Private Limited at its meeting held on 26th April, 2018. Based on the aforesaid, the Board of Directors of Hem Multi Commodities Private Limited approved the Scheme. The meeting of the Board of Directors of Hem Multi Commodities Private Limited, held on 26th April, 2018, was attended by 5(Five) directors Mr. Hem Chand Jain, Ms. Indu Jain, Mr. Prateek Jain, Mr. Gaurav Jain and Mr. Anil Bhargava. None of the directors of Hem Multi Commodities Private Limited who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Hem Multi Commodities Private Limited who attended and voted at the meeting.

The Scheme along with the Share Swap Ratio Report was placed before the Board of Directors of Hem Finlease Pvt. Ltd. at its meeting held on 26th April, 2018. Based on the aforesaid, the Board of Directors of Hem Finlease Pvt. Ltd. approved the Scheme. The meeting of the Board of Directors of Hem Finlease Pvt Ltd, held on 26th April,

2018, was attended by 4(Four) directors Mr. Hem Chand Jain, Ms. Indu Jain, Mr. Prateek Jain and Mr. Gaurav Jain. None of the directors of Hem Finlease Pvt. Ltd.who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of the Hem Finlease Pvt. Ltd.who attended and voted at the meeting.

25. Salient extracts of the Scheme

The salient extracts of the Scheme are as under:

Part A:

DEFINITIONS

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

- (a) **'Act'** means the Companies Act, 2013, as applicable, and rules made thereunder and shall include any statutory modifications or amendments or re-enactment(s) thereof for the time being in force;
- (b) **'Appointed Date'** means the 1st day of April, 2018 or such other date as may be agreed between the Transferor Companies and the Transferee Company and approved by the National Company Law Tribunal;
- (c) **'Board of Directors'** means the board of directors of the Transferor Companies or Transferee Company, as the case may be, and shall include a duly constituted committee thereof;
- (d) **'Effective Date'** means the last of the dates on which the conditions referred to in clause 16 of this Scheme have been fulfilled. All references in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"Scheme taking effect"** shall mean the Effective Date;
- (e) **'Encumbrance'** means any options, pledge, mortgage, lien, security interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term **'Encumbered'** shall be construed accordingly.
- (f) **'Governmental Authority'** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- (g) **'National Company Law Tribunal' (Hon'ble NCLT)** means the *National Company Law Tribunal New Delhi* having jurisdiction over the Transferor Companies and the Transferee Company, and shall, if applicable, include the National Company Law Tribunal, Jaipur if and when constituted;
- (h) **'Record Date'** means *in respect of amalgamation, the date to be fixed by the Board of Directors of Transferee Company for the purpose of issue and*

allotment of equity shares of the Transferee Company to the equity shareholders of the Transferor Companies;

- (i) 'Scheme' or 'Scheme of Arrangement'** means this Scheme of Arrangement in its present form or with any modifications, approved or imposed or directed by the Board of Directors of the Transferor Companies and the Transferee Company or by the members or creditors and/or by the Hon'ble NCLT or any other relevant authority;
- (j) 'Stock Exchanges'** means:

 - (i) For Transferor Company-1: Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX) and National Spot Exchange Limited;
 - (ii) For Transferor Company-2: National Stock Exchange of India Limited (NSE);
 - (iii) For Transferee Company: BSE Limited (BSE) and Metropolitan Stock Exchange of India Limited (MSEI).
- (k) 'Transferor Company-1'** means Hem Multi Commodities Private Limited, a company registered under the Companies Act, 1956 and having its registered office at 210, Jaipur Tower, M.I. Road, Jaipur 302001 (Rajasthan);
- (l) 'Transferor Company-2'** means Hem Finlease Pvt. Ltd., a company registered under the Companies Act, 1956 and having its registered office at 203, Jaipur Tower, M.I. Road, Jaipur 302001 (Rajasthan);
- (m) 'Transferor Companies'** mean collective reference to Transferor Company-1 and Transferor Company-2;
- (n) 'Transferee Company'** means Hem Securities Limited, is a public limited company registered under the provisions of the Companies Act, 1956 and having its registered office at 203, Jaipur Tower, M.I. Road, Jaipur 302001 (Rajasthan);
- (o) 'Undertaking'** shall mean the entire business and the whole of the undertakings of the Transferor Companies as a going concern, all its assets, rights, debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:

 - (i) All the assets and properties (whether moveable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Companies, whether situated in India or abroad, including, but not limited to land (whether leasehold or freehold), plant and machinery, computers including V-SAT lines and servers, equipment, buildings and structures, offices, residential and other premises, diesel generator sets, stock-in-trade, packing material, raw materials, capital work in progress, sundry debtors, furniture, fixtures, interiors,

office equipment, vehicles, appliances, accessories, power lines, depots, deposits, all stocks, stocks of fuel, assets, investments of all kinds (including shares, scripts, subsidiaries, stocks, bonds, debenture stocks, units or pass through certificates) including shares or other securities held by the Transferor Companies, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including but not limited to lease rights of the Transferor Companies), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to any Transferor Companies employee benefit plan, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit, entitlement tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies, in each case, whether in India or abroad.

- (ii) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies business activities and operations.
- (iii) All Membership of National Stock Exchange of India Limited (NSE), Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX) and/or Margin money with NSE, MCX & NCDEX and other authorities, intellectual property rights, engineering process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing

information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Companies.

- (iv) Amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Governmental Authority, under any law, Act, scheme or rule, as refund of any tax, duty, cess or of any excess payment.
- (v) Rights to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, under any law, Act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said Acts or under and in accordance with any law or Act, whether in India or anywhere outside India.
- (vi) All Clients trading accounts, debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Companies and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized. Provided that, if there exists any reference in the security documents or arrangements entered into by the Transferor Companies under which the assets of the Transferor Companies stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Companies vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective.
- (vii) All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- (viii) All permanent and temporary employees engaged by the Transferor Companies at various locations.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

PART B
**AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE
TRANSFeree COMPANY**

Generally

- 1.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date and pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Act, if any, the Undertaking of the Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme, together with all estate, rights, titles and interests and authorities including accretions and appurtenances therein including dividends, or other benefits receivable.

Transfer of Assets

- 1.2. Without prejudice to the generality of clause 1.1 of the statement, upon the coming into effect of this Scheme and with effect from the Appointed Date:
- (i) All assets and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies, and all assets and properties which are acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.
 - (ii) In respect of such assets owned and belonging to the Undertaking of the Transferor Companies as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Companies, and shall become the property of the Transferee Company in pursuance of the provisions of Section 232 and other applicable provisions of the Act.
 - (iii) In respect of movables other than those dealt with in clause 3.2 (ii) of the Scheme including without any further act, instrument or deed of the Transferee Company the sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the

debtors (although the Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

- (iv) All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Companies including in relation to the Undertaking, and all rights and benefits which have accrued to the Transferor Companies shall, under the provisions of Section 230 to 232 and other applicable provisions, if any, of the Act, stand transferred to and vested in or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company.
- (v) Transferor companies are member/ trading member of stock exchanges. Consequently, Membership/ Trading memberships held in name on Transferor Companies will be transferred to and vest in the transferee company for which necessary applications will be made by Transferee Company to the respective stock exchanges and other competent authorities.

1.3. Without prejudice to the generality of clause 1.1 of the Scheme, upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (i) All the liabilities including all secured and unsecured debts, whether in Indian rupees or foreign currency, sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (the “**Liabilities**”) shall, without any further act, instrument or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company without any further act, instrument or deed, along with any charge, lien, encumbrance or security thereon, and the same shall be assumed to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of

which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause. Further, all debts and loans raised, and duties, liabilities and obligations incurred or which arise or accrue to the Transferor Companies on or after the Appointed Date till the Effective Date, shall be deemed to be and shall become the debts, loans raised, duties, liabilities and obligations incurred by the Transferee Company by virtue of this Scheme.

- (ii) Where any of the debts, liabilities, loans raised and used, liabilities and obligations incurred, duties and obligations of the Transferor Companies as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- (iii) All loans raised or used and all liabilities and obligations incurred by the Transferor Companies for the operations of the Transferor Companies after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet discharge and satisfy the same.
- (iv) The Transferor Companies may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower as the case may be that pursuant to the Hon'ble NCLT sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto.
- (v) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or borrower that pursuant to the Hon'ble NCLT having sanctioned the Scheme, the said party, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Companies.

The transfer and vesting of the assets comprised in the Undertaking to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same. All encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Companies which secure or relate to the Liabilities shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any of the assets of the Transferor Companies have not been encumbered in respect of the Liabilities, such assets shall remain unencumbered and the existing Encumbrance

referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferor Companies. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- (vi) Loans and advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) if any, due or which may at any time in future becomes due between the Transferor Companies and the Transferee Company shall, ipso facto stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
 - (vii) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Transferor Companies and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the Registrar of Companies having jurisdiction to give formal effect to the above provisions, if required.
 - (viii) It is expressly provided that no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 1.4. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this clause 1of the Scheme 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.
- 1.5. Subject to the terms of this Scheme, the transfer and vesting of the Undertaking of the Transferor Companies under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

2 ISSUE OF CONSIDERATION BY THE TRANSFEE COMPANY

- 2.1. Upon the effectiveness of the Scheme, in consideration of the transfer and vesting of the Undertaking of the Transferor Companies in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Companies (whose names are registered in the Register of Members of the Transferor Companies on the Record Date, or his /her/its legal heirs,

executors or administrators or, as the case may be, successors):

- a) equity shares of face value Rs. 10/- (Rupees Ten only) each credited as fully paid up of the Transferee Company in the share swap ratio of 100 (One Hundred) equity shares of the face value of Rs. 10/- (Rupees Ten only) each of the Transferee Company for every 1,193 (One Thousand One hundred and Ninety Three) equity shares of Rs. 10/- (Rupees Ten only) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company-1.
- b) equity shares of face value Rs. 10/- (Rupees Ten only) each credited as fully paid up of the Transferee Company in the share swap ratio of 134 (One Hundred and Thirty Four) equity shares of the face value of Rs. 10/- (Rupees Ten only) each of the Transferee Company for every 100 (One Hundred) equity shares of Rs. 10/- (Rupees Ten only) credited as fully paid-up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Transferor Company-2.

The equity shares to be allotted by the transferee company to the shareholders of Transferor companies be collectively known as "New Equity Shares".

- 2.2. Where New Equity Shares are to be allotted to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of the Transferor Companies, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Transferee Company.
- 2.3. The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Companies is herein referred to as the "**Share Swap Ratio**". In the event of any increase in the issued, subscribed or paid up share capital of the Transferee Company or issuance of any instruments convertible into equity shares or restructuring of its equity share capital including by way of share split/consolidation/issue of bonus shares, free distribution of shares or instruments convertible into equity shares or other similar action in relation to the share capital of the Transferee Company at any time before the Record Date, the Share Exchange Ratio shall be adjusted appropriately to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.
- 2.4. In so far as the equity shares of the Transferor Companies held by the Transferor Companies inter se, Transferee Company or its subsidiaries or its limited liability partnerships are concerned, if any, on the Effective Date such shares shall stand cancelled and to that extent the Transferee Company is required to issue less number of shares.
- 2.5. Upon the New Equity Shares being issued and allotted to the shareholders of Transferor Companies, the shares held by the said members of Transferor Companies, whether in the physical form or in the dematerialized form, shall be deemed to have been automatically cancelled and be of no effect, without any

further act, deed or instrument.

- 2.6. In so far as New Equity Shares are concerned, the same will be distributed in the physical form or in the dematerialized form to the equity shareholders of Transferor Companies, as the case may be, provided all details relating to the account with the depository participant are available to Transferee Company. All those equity shareholders who hold equity shares of Transferor Companies and do not provide their details relating to the account with the depository participant will be distributed New Equity Shares in the physical/ certificate form unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the board of Transferee Company or committee thereof.
- 2.7. Upon the coming into effect of the Scheme, the New Equity Shares of Transferee Company to be issued and allotted to the members of the Transferor Companies as provided in the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* from the date of allotment in all respects with the existing equity shares of Transferee Company including entitlement in respect of dividends. The issue and allotment of New Equity Shares by the Transferee Company to the members of the Transferor Companies as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out pursuant to the Act.
- 2.8. No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company to the shareholders of the Transferor Companies and the fractional share entitlements, if any, arising out of such allotment, shall be rounded off to the nearest higher complete share.
- 2.9. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Companies, after the effectiveness of this Scheme. The New Equity Shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Transferor Companies which are held in abeyance under the provisions of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.

3 ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES AND SURPLUS OF THE TRANSFEROR COMPANIES IN THE BOOKS OF THE TRANSFEREE COMPANY

- 3.1. Recognising that the amalgamation is to be considered as an “amalgamation in the nature of merger” in accordance with the provisions of Accounting Standard 14 - “Accounting for Amalgamations” (AS-14), the accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Companies in the books of the Transferee Company shall be governed by, the provisions of AS-14. Accordingly, all the assets and liabilities of the Transferor Companies shall be recorded at their existing carrying amounts and in the same form as at the Appointed Date in the books of the Transferee Company.
- 3.2. As on the Appointed Date, the reserves, surplus and balance in the statement of profit and loss of the Transferor Companies, if any, will be aggregated with the respective reserves, surplus and balance in the statement of profit and loss of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Companies.
- 3.3. An amount equal to the balance lying to the credit / debit of the Statement of Profit and Loss in the books of the Transferor Companies, if any, shall be credited / debited by the Transferee Company to the balance of its statement of profit and loss and shall constitute (or reduce, as the case may be) the Transferee Company’s free reserves.
- 3.4. An amount equal to the balance lying to the credit of Securities / Share Premium Account in the books of the Transferor Companies, if any, shall be credited by the Transferee Company to its Securities / Share Premium Account and shall constitute the Transferee Company’s Securities / Share Premium Account.
- 3.5. In case of any difference in accounting policies of the Transferee Company and the Transferor Companies, the impact of the same, till the Appointed Date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable Accounting Standards so as to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies.
- 3.6. Upon coming into effect of this Scheme, to the extent that there are inter-company loans, advances, deposits, balances or other obligations as between the Transferor Companies and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balance with effect from Appointed Date.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid is only some of the salient extracts thereof.

26. Other Matters:

1. Summary of the Share Swap Ratio Report including the basis of valuation refer as **Annexure-2**.
2. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.
3. Under the Scheme, an arrangement is sought to be entered into between Hem Securities Limited and its equity shareholders (promoter shareholders and non-promoter shareholders). Upon the effectiveness of Part B of the Scheme, Hem Securities Limited shall allot equity shares, based on the Share Exchange Ratio and in the manner as stipulated in Clause 4 of the Scheme, to the equity shareholders of Hem Multi Commodities Private Limited. Upon the effectiveness of Part B of the Scheme, equity shares of the Transferor Companies held by the Transferor Companies inter se, Transferee Company, if any, on the Effective Date such shares shall stand cancelled and to that extent the Transferee Company is required to issue less number of shares. Further, Hem Securities Limited shall allot equity shares, based on the Share Exchange Ratio and in the manner as stipulated in Clause 4 of the Scheme, to the equity shareholders of Hem Finlease Pvt. Ltd.

Under Part C of the Scheme, no rights of the Employees of Hem Securities Limited are being affected. The services of the Employees of respective companies under Part C of the Scheme, shall continue on the same terms and conditions on which they were engaged by the respective companies.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of Hem Securities Limited. Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of Hem Securities Limited and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in Hem Multi Commodities Private Limited and/or Hem Finlease Pvt. Ltd. and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in Hem Multi Commodities Private Limited and/or Hem Finlease Pvt. Ltd. as nominee and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies, if any. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

4. In compliance with the provisions of Section 232 of the Act, the Board of Directors of the Hem Securities Limited, Hem Multi Commodities Private Limited and Hem Finlease Pvt. Ltd. have in their separate meetings held on 26th April, 2018 respectively, have adopted a report, inter alia, explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders amongst others.

5. No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Companies.
6. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.
7. The copy of the proposed Scheme is to be filed by the respective Companies before the concerned Registrar of Companies.
8. The Audited Financial Statements of Hem Securities Limited, Hem Multi Commodities Private Limited and Hem Finlease Pvt. Ltd. for the period ended 28th February, 2018 are enclosed as **Annexure-3**, **Annexure-4** and **Annexure-5**, respectively.
9. As per the books of accounts (as on 28th February, 2018) of Hem Securities Limited, there is 1 (One) Secured Creditor and 7,201 (Seven thousand Two Hundred and One) unsecured creditors amounting to Rs.21,46,14,800/-approx (Rupees Twenty one crore forty six lakh fourteen thousand and eight hundred). As per the books of accounts of Hem Multi Commodities Private Limited there is no secured creditors of the company and 221 (Two hundred and twenty one) unsecured creditors amounting to Rs. 1,50,11,996/ (One Crore Fifty Lakh Eleven Thousand Nine Hundred And Ninety Six Only) approx. As per the books of accounts of Hem Finlease Pvt. Ltd. there is one secured creditor of the companies and 2,454 (Two Thousand Four Hundred And Fifty Four) unsecured creditors amounting to Rs. 15,77,06,062/- (Rupees Fifteen Crore Seventy Seven Lakh Six Thousand And Sixty Two).
10. The name and addresses of the Promoters of the Hem Securities Limited including their shareholding in the Companies as on 28th February, 2018 are as under:

S.No.	Name and address of Promoters and Promoter Group	Hem Securities Limited.		Hem Multi Commodities Private Limited		Hem Finlease Pvt. Ltd.	
		No. of shares of Rs. 10/- each	%	No. of shares of Rs. 10/- each	%	No. of shares of Rs. 10/- each	%
PROMOTERS AND PROMOTER GROUP							
1.	Hem Chand Jain	635100	10.585	35000	2.33	250000	14.29
2.	Indu Jain	334600	5.577	65000	4.33	119400	6.82
3.	Prateek Jain	620000	10.333	35000	2.33	50100	2.86
4.	Megha Jain	60100	1.00	10000	0.67	100	0.01
5.	Gaurav Jain	100	0.002	5000	0.33	100	0.01
6.	H C Jain HUF	100	0.002	NIL	NIL	55000	3.14
7.	Hem Financial Services Limited	4350000	72.50	1350000	90	1275300	72.87
TOTAL		6000000	100	1500000	100	1750000	100

11. The name and addresses of the Promoters of Hem Multi Commodities Private Limited including their shareholding in the Companies as on 28th February, 2018 are as under:

S.No.	Name and address of Promoters and Promoter Group	Hem Securities Limited.		Hem Multi Commodities Private Limited		Hem Finlease Pvt. Ltd.	
		No. of shares of Rs. 10/- each	%	No. of shares of Rs. 10/- each	%	No. of shares of Rs. 10/- each	%
PROMOTERS AND PROMOTER GROUP							
1.	Hem Chand Jain	635100	10.585	35000	2.33	250000	14.29
2.	Indu Jain	334600	5.577	65000	4.33	119400	6.82
3.	Prateek Jain	620000	10.333	35000	2.33	50100	2.86
4.	Megha Jain	60100	1.00	10000	0.67	100	0.01
5.	Gaurav Jain	100	0.002	5000	0.33	100	0.01
6.	Hem Financial Services Limited	4350000	72.50	1350000	90	1275300	72.87
TOTAL		5999900	99.99	1500000	99.99	1695000	96.86

12. The name and addresses of the Promoters of Hem Finlease Pvt. Ltd. including their shareholding in the Companies as on 28th February, 2018 are as under:

S.No.	Name and address of Promoters and Promoter Group	Hem Securities Limited.		Hem Multi Commodities Private Limited		Hem Finlease Pvt. Ltd.	
		No. of shares of Rs. 10/- each	%	No. of shares of Rs. 10/- each	%	No. of shares of Rs. 10/- each	%
PROMOTERS							
1.	Hem Chand Jain	635100	10.585	35000	2.33	250000	14.29
2.	Indu Jain	334600	5.577	65000	4.33	119400	6.82
3.	Prateek Jain	620000	10.333	35000	2.33	50100	2.86
4.	Megha Jain	60100	1.00	10000	0.67	100	0.01
5.	Gaurav Jain	100	0.002	5000	0.33	100	0.01
6.	H C Jain HUF	100	0.002	NIL	NIL	55000	3.14
7.	Hem Financial Services Limited	4350000	72.50	1350000	90	1275300	72.87
TOTAL		6000000	100	1500000	100	1750000	100

13. The details of the Directors of Hem Securities Limited as on 28th February, 2018 are as follows:

S.No.	Name of Director	Address	DIN
1.	Hem Chand Jain	9-Swaroop Colony Ajmer Road Jaipur 302006	00347951
2.	Indu Jain	9-Swaroop Colony Ajmer Road Jaipur 302006	00347572
3.	Prateek Jain	9, Nirman, Swaroop Colony, Opp. Roma Nursing Home, Ajmer Road Jaipur 302021	03518736
4.	Gaurav Jain	10 Swaroop Colony Ajmer Road Jaipur 302019	00798903

14. The details of the Directors of Hem Multi Commodities Private Limited as on 28th February, 2018 are as follows:

S.No.	Name of Director	Address	DIN
1.	Hem Chan Jain	9-Swaroop Colony Ajmer Road Jaipur 302006	00347951
2.	Indu Jain	9-Swaroop Colony Ajmer Road Jaipur 302006	00347572
3.	Prateek Jain	9, Nirman, Swaroop Colony, Opp. Roma Nursing Home, Ajmer Road Jaipur 302021	03518736
4.	Gaurav Jain	10 Swaroop Colony Ajmer Road Jaipur 302019	00798903
5.	Anil Bhargava	14, Gatore Road, Near Kamdar Bhawan Brahampuri, Tripolia Bazar Jaipur 302002	01130173

15. The details of the Directors of Hem Finlease Pvt. Ltd. as on 28th February, 2018 are as follows:

S.No.	Name of Director	Address	DIN
1.	Hem Chan Jain	9-Swaroop Colony Ajmer Road Jaipur 302006	00347951
2.	Indu Jain	9-Swaroop Colony Ajmer Road Jaipur 302006	00347572
3.	Prateek Jain	9, Nirman, Swaroop Colony, Opp. Roma Nursing Home, Ajmer Road Jaipur 302021	03518736
4.	Gaurav Jain	10 Swaroop Colony Ajmer Road Jaipur 302019	00798903

16. The details of the shareholding of the Directors and the Key Managerial Personnel of Hem Securities Limited in the following Companies as on 28th February, 2018 are as follows:

Name of Director and KMP	Position	Equity Shares held in		
		Hem Securities Limited.	Hem Multi Commodities Private Limited	Hem Finlease Pvt. Ltd.
Hem Chand Jain	Director	635100	35000	250000
Indu Jain	Director	334600	65000	119400
Prateek Jain	Director	620000	35000	50100
Gaurav Jain	Director	100	5000	100

17. The details of the shareholding of the Directors and the Key Managerial Personnel of Hem Multi Commodities Private Limited in the following Companies as on 28th February, 2018 are as follows:

Name of Director and KMP	Position	Equity Shares held in		
		Hem Securities Limited.	Hem Multi Commodities Private Limited	Hem Finlease Pvt. Ltd.
Hem Chand Jain	Director	635100	35000	250000
Indu Jain	Director	334600	65000	119400
Prateek Jain	Director	620000	35000	50100
Gaurav Jain	Director	100	5000	100
Anil Bhargava	Director	NIL	NIL	NIL

18. The details of the shareholding of the Directors and the Key Managerial Personnel of Hem Finlease Pvt. Ltd in the following Companies as on 28th February, 2018 are as follows:

Name of Director and KMP	Position	Equity Shares held in		
		Hem Securities Limited.	Hem Multi Commodities Private Limited	Hem Finlease Pvt. Ltd.
Hem Chand Jain	Director	635100	35000	250000
Indu Jain	Director	334600	65000	119400
Prateek Jain	Director	620000	35000	50100
Gaurav Jain	Director	100	5000	100

HEM SECURITIES LIMITED

Regd. Office: 203, Jaipur Tower, M.I. Road, Jaipur-302001

Form No. MGT-11

PROXY FORM

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

CIN:	U67120RJ1995PLC010390
Name of the Company :	Hem Securities Limited
Registered Office :	203, Jaipur Tower, M.I. Road, Jaipur-302001 (Rajasthan)
Name of the Unsecured Creditor (s) :	
Registered address :	
E-mail Id :	

I/We, being the unsecured creditor(s) of the above named company, hereby appoint

1.	Name			
	Address			
	E-mail Id		Signature	
	or failing him			
2.	Name			
	Address			
	E-mail Id		Signature	
	or failing him			
3.	Name			

HEM SECURITIES LIMITED

Regd. Office: 203, Jaipur Tower, M.I. Road, Jaipur-302001

	Address		
	E-mail Id		Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Meeting of the Unsecured creditors of the Company, to be held on Saturday, 29th September, 2018 at 4:00 P.M. at the registered office of the company situated at 203, Jaipur Tower, M.I. Road, Jaipur-302001 (Rajasthan) and at any adjournment thereof for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation and Arrangement between Hem Multi Commodities Private Limited and Hem Finlease Pvt. Ltd. with Hem Securities Limited and their respective shareholders and creditors (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) (here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the later case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (*Strike out whatever is not applicable)

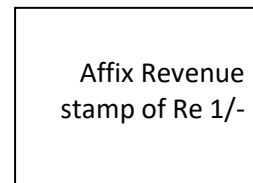
Dated this _____

Name : _____

Address : _____

Signature of unsecured Creditor : _____

Signature of proxy: _____



Notes:

1. The proxy must be deposited at the registered office of Hem Securities Limited having registered office at 203, Jaipur Tower, M.I. Road, Jaipur-302001 (Rajasthan) at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialed.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be an unsecured creditor of Hem Securities Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of an unsecured creditor blind or incapable of writing would be accepted if such unsecured creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of an unsecured creditor before he attached his signature or mark.

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company.

HEM SECURITIES LIMITED

Regd. Office: 203, Jaipur Tower, M.I. Road, Jaipur-302001

**ATTENDANCE SLIP
MEETING OF UNSECURED CREDITORS– 29TH SEPTEMBER, 2018**

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

MEETING OF THE UNSECURED CREDITOR(S) ON SATURDAY, 29TH SEPTEMBER, 2018

I/We hereby record my/our presence at the meeting of the Unsecured Creditor(s) of Hem Securities Limited, the Applicant Company, convened pursuant to an order dated 24th August, 2018 at 203, Jaipur Tower, M.I. Road, Jaipur-302001 (Rajasthan) on Saturday, 29th September, 2018 at 4:00 P.M.

Name and address of Unsecured Creditor (IN BLOCK LETTERS) _____

Signature _____

Amount Due: _____

Name of the Proxy* (IN BLOCK LETTERS) _____

Signature _____

*(To be filled in by the Proxy in case he/she attends instead of the unsecured creditor)

