


**Index of documents uploaded on the website in connection with the proposed Scheme of Reduction of Rajasthan Gases Limited**

<b>S. No.</b>	<b>Documents</b>	<b>Remarks</b>
1	Certified copy of draft Scheme of Amalgamation / Arrangement etc. proposed to be filed before the Hon'ble National Company Law Tribunal, Mumbai Bench	Enclosed
2	Certificate on non-applicability of the requirement of obtaining a Valuation Report from an Independent Chartered Accountant as prescribed in Para 4(a) of Annexure 1 to SEBI Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by SEBI Circular Number CFD/DIL3/CIR/2018/2 dated January 3, 2018 in respect of proposed reduction of capital	Enclosed
3	Report from the Audit Committee recommending the draft Scheme	Enclosed
4	Fairness opinion by Merchant Banker	Enclosed
5	Shareholding pattern of the Company pre and post Amalgamation / Arrangement etc. as per the format provided under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Enclosed
6	Annual Reports of the Company for the financial years 2014-15, 2015-16 and 2016-17 as per <b>Annexure I</b>	Enclosed
7	Quarterly compliance report on Corporate Governance as per Regulation 27(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as per <b>Annexure II</b>	Enclosed
8	Compliance Report with the requirements specified in <b>Annexure IV</b> of SEBI Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by SEBI Circular Number CFD/DIL3/CIR/2018/2 dated January 3, 2018	Enclosed
9	Certificate from the statutory auditors of the Company in terms of Annexure II to SEBI Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by SEBI Circular Number CFD/DIL3/CIR/2018/2 dated January 3, 2018	Enclosed

For Rajasthan Gases Limited,

  
Pradeep Kishangopal Mundra  
Director  
DIN: 06947188



**SCHEME OF REDUCTION OF CAPITAL OF RAJASTHAN GASES LIMITED AND ITS RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTION 66(1) OF THE COMPANIES ACT, 2013 AND NATIONAL COMPANY LAW TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF COMPANY) RULES, 2016**

**A. Preamble of the Scheme:**

This Scheme of Reduction of Capital is made by Rajasthan Gases Limited ("the Company") pursuant to the provisions of Section 66(1) of the Companies Act, 2013 and National Company Law Tribunal (Procedure For Reduction Of Share Capital Of Company) Rules, 2016. The Scheme provides for the reduction of share capital of Rajasthan Gases Limited by 70% on proportionate basis by reducing the paid-up value of each equity share from Rs. 10 per equity share to Rs. 3 per equity share and writing off its entire accumulated losses as on 31.03.2017 against such reduction of capital.

**B. Rationale and purpose of the Scheme:**

The present issued, subscribed and paid-up equity share capital of the Company is Rs. 5,37,38,000 divided into 53,73,800 equity shares of Rs. 10 each. As on 31.03.2017, the Company had accumulated losses (debit balance of Profit and Loss Account) amounting to Rs. 3,34,99,586.91. Capital of the Company has been lost to this extent.

In order to re-align the relation between the capital and assets; and to accurately and fairly reflect the liabilities and assets of the Company in its books of accounts; and for better presentation of the financial position of the Company, the Board of Directors has decided to write off the accumulated losses against reduction in the share capital of the Company in accordance with Section 66(1) of the Companies Act, 2013 and National Company Law Tribunal (Procedure For Reduction Of Share Capital Of Company) Rules, 2016.

**C. Part of the Scheme of Reduction of Share Capital**

This Scheme provides for matters connected with the aforesaid reduction of capital. Accordingly, this Scheme is divided into the following parts.

- (i) Part I which deals with definitions and share capital
- (ii) Part II which deals with the reduction of share capital
- (iii) Part III which deals with the General Clauses and Other Terms and Conditions.

*Pradeep*



## PART 1

### DEFINITIONS AND SHARE CAPITAL

#### DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning as under:

- 1.1 "Act" means the Companies Act, 2013 and the National Company Law Tribunal (Procedure For Reduction Of Share Capital Of Company) Rules, 2016.
- 1.2 "Board of Directors" in relation to the Company, shall, unless it is repugnant to the meaning or context thereof, include a Committee of Directors or any person authorised by the Board of Directors or such Committee of Directors.
- 1.3 "BSE" shall mean BSE Limited.
- 1.4 "CSE" shall mean Calcutta Stock Exchange Limited
- 1.5 "Petitioner Company" or "Company" means Rajasthan Gases Limited having Corporate Identification Number L24111MH1993PLC272204 being a Company incorporated as per the provisions of the Companies Act, 1956 and having its registered office at 103, Roha Orion, 16<sup>th</sup> Street, Near 33<sup>rd</sup> Road, TPS III, Bandra W, Mumbai, Mumbai City-400050, Maharashtra.  
  
The Petitioner Company was originally incorporated under the provisions of the Companies Act, 1956, as a private limited company with the name and style as "Rajasthan Gases Private Limited" vide Certificate of Incorporation dated 27.08.1993 issued by the Registrar of Companies, Jaipur. The Company was subsequently converted into a Public Limited Company and its name was changed to "Rajasthan Gases Limited" through the Fresh Certificate of Incorporation Consequent on Change of Name issued by the Registrar of Companies, Jaipur on 27.10.1994.
- 1.6 "Effective Date" means the date on which the certified copy of Order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench sanctioning the reduction of capital is filed with the Registrar of Companies, Mumbai. Any reference in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date".
- 1.7 "Record Date" means the date to be decided by the Board of Directors or a committee for the purpose of giving effect to the orders of the Hon'ble National Company Law Tribunal, Mumbai Bench sanctioning the Scheme.
- 1.8 "Scheme" means this Scheme of reduction of capital as provided herein in its present form or with such alterations / modifications as may be approved or imposed or directed by any of the regulatory authorities and may be approved by the Hon'ble National Company Law Tribunal, Mumbai Bench.
- 1.9 "Shareholders" means the person registered (whether registered owner of the shares or beneficial owner of the shares") as holders of equity shares of the Company. The words "shareholder" and "member" are used to denote the same meaning and are used interchangeably.
- 1.10 "Shares" means equity shares of Rs. 10 each of the Company unless otherwise specified in the context thereof.

*Pradeep*



- 1.11 'Listing Regulation' shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- 1.12 'Listing Agreement' shall mean an agreement that is entered into between a recognised stock exchange and an entity, on the application of that entity to the recognised stock exchange, undertaking to comply with conditions for listing of designated securities as per the provisions of the Listing Regulations;
- 1.13 'Accumulated Losses' means the losses that have been carried forward from previous years and the amount shown in the audited balance sheet of the Company;
- 1.14 'Rs.' shall mean the lawful currency of India, that is, Indian Rupees
- 1.15 'SEBI' shall mean the Securities and Exchange Board of India;
- 1.16 'The Court' shall mean the Bombay High Court Judicature at Mumbai or the National Company Law Tribunal (NCLT), Mumbai Bench or such tribunal or any other appropriate forum or authority having jurisdiction to approve the Scheme as per the law for the time being in force;

All terms and words not defined in the Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Contract Regulation Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, Listing Regulations, Listing Agreement and other applicable laws, rules and regulations, bye – laws as the case may be or any statutory modifications or re-enactments thereof from time to time.

## PART 2

### Details of the company

#### Details of the company

##### a) Incorporation of the company

The Company was incorporated as a private limited company under the name and style of Rajasthan Gases Private Limited on 27.08.1993 with the Registrar of Companies, Jaipur. Subsequently, the Company was converted into a public company in compliance with the provisions of the Companies Act, 1956 and special resolution passed by the shareholders in the extra-ordinary general meeting held on 10.10.1994, and the name of the Company was changed from "Rajasthan Gases Private Limited" to "Rajasthan Gases Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Jaipur on 27.10.1994. The Company is a public limited company listed with the Bombay Stock Exchange and Calcutta Stock Exchange.

##### b) Main objects of the company

1. To carry on the business of manufacturing, producing, acquiring, buying, selling, leasing, treating, processing, developing, retreating, refining, storing distributing, piping and/or transporting and otherwise dealing in all kinds and classes of gases like LPG, Oxygen, Hydrogen, Carbon die-oxide, nitrogen, Argon, Carbonic acid, acetylene, industrial and medical gases and lubricating compositions, petroleum products, compositions, chemicals, chemical products and to do all things necessary suitable or propose for the accomplishment of any of the said purposes.

*Roodeep*



2. To buy, sell let on hire and otherwise deal in gas manufacturing plant, equipment, cylinders, welding machines, electrodes and all other equipments of allied nature.
3. To Carry on the business of running gas tankers and lorries and to carry on and handle all types petroleum products, gases and by products and derivatives thereof.

**c) Share Capital:**

The present Authorised Share Capital of the Petitioner Company is Rs. 6,00,00,000 divided into 60,00,000 equity shares of Rs. 10 each. The present issued, subscribed and paid-up equity share capital of the Company is Rs. 5,37,38,000 divided into 53,73,800 equity shares of Rs. 10 each, fully paid-up.

**d) Compliance with Tax Laws:**

This Scheme has been drawn up to comply also with the provisions of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or any other reason whatsoever, till the time the Scheme becomes effective, 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 the provisions of the Income-tax Act, 1961.

**SCHEME FOR REDUCTION OF SHARE CAPITAL**

**2.1 Reduction of capital of the Company**

a) Rationale and purpose of the Scheme

1. The Board, vide resolution dated March 20, 2018, has considered and approved the proposal to reduce the Paid-up Equity Share Capital of the Company amounting to Rs. 37,616,600/- and that such reduction be effected by writing off the Accumulated Losses by Rs. 33,499,586.91/- and transferring an amount of Rs. 4,117,013.09/- to Capital Reserve Account to give true and fair view of books of accounts of the Company, subject to the consent of the shareholders and the approval from the Court and other statutory authorities as and where applicable.
2. The issued, subscribed and paid-up capital of the Company is Rs. 5,37,38,000/- comprising 53,73,800 Equity Shares of Rs. 10/- each as on 31 March 2017.

b) Justification and objects / benefits arising of the scheme: The reduction of share capital of the Company would enable the Company to write off its accumulated losses and reduce its Paid-up equity share capital by Rs. 37,616,600/-.

c) Effect of the scheme: Upon the Scheme coming into effect, the paid-up value of each equity share of the Company will be reduced from Rs. 10 per equity share to Rs. 3 per equity share and the total paid-up equity share capital of the Company shall be reduced from Rs. 5,37,38,000 divided into 53,73,800 equity shares of Rs. 10 each, fully paid-up, to Rs. 1,61,21,400 divided into 53,73,800 equity shares of Rs. 3 each, fully paid-up. The reduction of capital shall be on proportionate basis and all the pre-scheme shareholders will remain shareholders of the Company after the Scheme in the same proportion.

d) Upon the Scheme coming into effect, the entire accumulated losses of the Company being the debit balance of Profit & Loss Account amounting to Rs. 33,499,586.91 as per the audited financial statements of the Company as on 31.03.2017 would be written off against the aforesaid reduction of capital.

*Pradeep*



- e) The difference between the amount of reduction in Share Capital and the amount of debit balance of Profit & Loss Account written off, shall be credited to the Capital Reserve Account.
- f) Upon the Scheme coming into effect, all the equity shareholders holding equity shares of Rs. 10 each will continue to hold the same number of equity shares. However, the face value and the paid-up value of each equity share shall be reduced to Rs. 3 per equity share.
- g) No fractional shares will be created in the process of reduction of capital.

The pre and post reduction shareholding pattern of the Company will be as follows.

Particulars	Pre-scheme		Post-scheme	
	No. of shares of Rs. 10 each	%	No. of shares of Rs. 10 each	%
Promoters & Promoters' Group	0	0	0	0
Public Holding	53,73,800	100	53,73,800	100
<b>Total</b>	<b>53,73,800</b>	<b>100</b>	<b>53,73,800</b>	<b>100</b>

- f) In respect to the equity shares of the Company already held in dematerialised form, as on the record date, necessary corporate action shall be executed with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for effecting the aforesaid reduction of capital. In respect of the equity shares of the Company held in physical form, as on the Record Date, each equity shareholder of the Company holding such equity shares shall have the option, to be exercised by way of giving a notice to the Company on or before the record date, to record the equity shares of Rs. 3 each of the Company, either in physical form or in a dematerialised form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. In the event that such notice has not been received by the Company in respect of any equity shareholder, the equity shares of Rs. 3 each of the Company shall be issued to such shareholders in physical form.
- g) The present Scheme is proposed for reduction of the capital of the Company in terms of Section 66(1) of the Companies Act, 2013 and National Company Law Tribunal (Procedure For Reduction Of Share Capital Of Company) Rules, 2016. The Scheme does not envisage transfer or vesting of any of the properties and / or liabilities to any person or entity. The Scheme also does not involve any conveyance or transfer of any property of the Company and consequently, the order of the Hon'ble National Company Law Tribunal, Mumbai Bench approving the Scheme will not attract any stamp duty under the Indian Stamps Act, 1899, in this regard.

## 2.2 Alteration of Authorised Share Capital

Upon this Scheme becoming effective, the authorised share capital of the Company shall be modified with regard to the face value of equity shares from Rs. 10 to Rs. 3 per equity share. Clause V of the Memorandum of Association and relevant article(s) of the Articles of Association of the Company, if any, shall stand modified / altered to give effect to the reduction in face value of the equity shares of the Company from Rs. 10 per equity share to Rs. 3 per equity share, without any further approval.

Accordingly, Clause V of the Memorandum of Association of the Company shall, without any further act or deed, stand replaced with the following Clause V:

*Pradeep*



The authorised share capital of the Company is Rs. 1,80,00,000 (Rupees One Crore Eighty Lacs) divided into 60,00,000/- (Sixty Lacs) equity shares of Rs. 3/- (Rupees Three) each.

It is clarified that approval of the members of the Company to proposed reduction of capital under this Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Company as may be required under the Act.

### **2.3 Compliance**

- a) The consent of the members of the Company to this Scheme shall be taken through a special resolution under the provisions of Section 66(1) of the Companies Act, 2013 and National Company Law Tribunal (Procedure For Reduction Of Share Capital Of Company) Rules, 2016.
- b) The Scheme, if sanctioned, shall be fully in compliance with the Securities and Exchange Board of India ("SEBI") Act, and the Rules and Regulations made and the Circulars issued thereunder.

### **2.4 Accounting treatment**

Upon reduction of capital, the nominal value and the paid-up value of the share capital of the Company shall be reduced from Rs. 10 to Rs. 3 per equity share. The entire debit balance in the Profit and Loss Account of the Company shall be written off and the difference between the amount of share capital reduced and the amount of debit balance of the Profit and Loss Account written off shall be credited to the Capital Reserve Account.

- 2.5 The form of minutes proposed to be registered under Section 66(5) is as follows:

"The paid-up equity share capital of Rajasthan Gases Limited is henceforth Rs. 1,61,21,400 (Rupees One Crore Sixty One Lacs Twenty One Thousand Four Hundred Only) divided into 53,73,800 (Fifty Three Lacs Seventy Three Thousand Eight Hundred) equity shares of Rs. 3 (Rupees Three) each."





## PART 3

### General Clauses and Terms and Conditions

#### 1. Impact of the Scheme on Employees / workers

The Scheme shall not have any adverse impact on the employees / workers of the Company and they would, in fact be generally benefited as Scheme would help in improving the financial position of the Company.

#### 2. Costs, Charges and Expenses

All past, present and future costs, charges, levies, duties, and expenses in relation to or in connection with or incidental to the Scheme or the implementation thereof shall be borne by the Company and all of the above costs (including stamp duty, if any) shall be treated as costs relating to the Scheme.

#### 3. Severability

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

#### 4. Impact of the Scheme on creditors/Banks/Financial Institutions

The Scheme will not have any adverse impact on any of the Company's creditors/ banks/ financial institutions. They would in fact be generally benefited as the Scheme would help improving the financial position of the Company. The Scheme will help the revival of the Company, which will be in the interest of the Company's creditors/ banks/ financial institutions.

#### 5. Legal proceedings

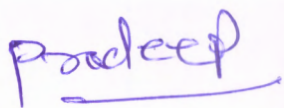
The Scheme would not affect any legal or other proceedings by or against the Company.

#### 6. Designated Stock Exchange for the Scheme

The Bombay Stock Exchange shall be the Designated Stock Exchange for the Scheme prescribed in Para 2 of Annexure 1 to SEBI Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017 as amended by SEBI Circular Number CFD/DIL3/CIR/2018/2 dated January 3, 2018 in respect of proposed reduction of capital.

#### 7. Application to the Hon'ble National Company Law Tribunal, Mumbai Bench

The Company shall make application(s)/petition(s) under the provisions of Section 66(1) of the Companies Act, 2013 and National Company Law Tribunal (Procedure For Reduction Of Share Capital Of Company) Rules, 2016 to the Hon'ble National Company







Law Tribunal, Mumbai Bench and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.

#### **8. Modifications / amendments to the Scheme**

The Company through its Board of Directors may make or assent, from time to time, on behalf of all concerned persons, to any modifications or amendments to this Scheme or to any conditions or limitations which the Hon'ble National Company Law Tribunal, Mumbai Bench and / or any authorities under law may deem fit to approve or impose and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for carrying the Scheme into effect.

In order to give effect to this Scheme or any modifications or amendments thereof, the Board of Directors of the Company may give and are authorised to give all such directions as may be necessary including directions for settling any question, doubt or difficulty that may arise.

The Company shall be at liberty to withdraw from this Scheme in case any condition, alteration or modification, imposed or suggested by the Hon'ble National Company Law Tribunal, Mumbai Bench or any other competent authority, is not acceptable to it or otherwise not deemed fit or proper by the Company.

#### **9. Cross Holding**

Since it is not a matter involving merger or de-merger, the concept of cross holding does not apply.

#### **10. Listing of Shares**

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

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

#### **11. Partly Paid- Up Shares**

As on date the Company does not have any partly paid up equity shares.