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**BSE ACKNOWLEDGEMENT**

<b>Acknowledgement Number</b>	1800680
<b>Date and Time of Submission</b>	6/20/2020 3:57:26 PM
<b>Scripcode and Company Name</b>	516030 - Yash Pakka Ltd-\$
<b>Subject / Compliance Regulation</b>	Corporate Action-Amalgamation/ Merger / Demerger
<b>Submitted By</b>	Sachin Kumar Srivastava
<b>Designation</b>	Company Secretary & Compliance Officer

**Disclaimer** : - Contents of filings has not been verified at the time of submission.

7/Govt/SE-13  
20<sup>th</sup> June, 2020

To,  
Manager  
Department of Corporate Services,  
Bombay Stock Exchange Ltd.,  
25<sup>th</sup> Floor, P.J. Towers, Dalal Street,  
Mumbai - 400 001  
Fax No.(022) 22722061, 41, 39, 37

Scrip Code: 516030  
Trading Symbol: YASHPAKKA

**Subject: Approval of Merger Scheme in the meeting of the Board of Directors of Yash Pakka Limited (the "Company") held on 20<sup>th</sup> June, 2020.**

Dear Sir,

With reference to above mentioned subject, we hereby inform you that the Board of Directors of the Company in their meeting held on 20<sup>th</sup> June, 2020 have considered the draft Scheme of Merger by Absorption of Yash Compostables Limited ("YCL"), a company incorporated under the Companies Act, 2013 and having its registered office at Flat No.202, 3A/172 Azad Nagar, Kanpur 208002, Uttar Pradesh by the Company ("Scheme" or "Draft Scheme"), prepared by M/s. Rajani Associates, Solicitors; (ii) the Valuation Report dated June 19, 2020 prepared by MS. Sudha Bhushan, (Registered valuer having Registration No IBBI/RV/07/2019/12234) in relation to the shares to be issued by the Company to the shareholders of the YCL pursuant to the Scheme; (iii) the Fairness Opinion issued by Mark Capital Advisory Services on the said Valuation Report; and (iv) Report explaining the effect of the scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders as required under the Companies Act 2013.

The Board of Directors of the Company have approved the Draft Scheme as may be modified from time to time under Sections 230 to 232 of the Companies Act, 2013. The Appointed Date of the Scheme is April 1, 2020. However, the effectiveness of the Scheme is subject to, *inter alia*, receipt of necessary approvals under applicable laws, including the

**For Yash Pakka Limited**

  
Jagdeep Hira  
Managing Director & CEO

Formerly Yash Papers Limited

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approval of the members of the Company as well as the sanction of the relevant NCLT and such other relevant authorities.

The Scheme will be filed with the stock exchange as per the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the Securities and Exchange Board of India and other circulars issued by SEBI.

The Scheme contemplates the merger by absorption YCL by the Company. Upon Scheme coming into effect, YCL will get dissolved without winding up.

The information required to be furnished are set out below:

a)	Name of the entities forming part of the amalgamation/merger, details in brief such as size, turnover, etc.	<p><b>Transferor Company:</b> Yash Compostables Limited, a company incorporated under the Companies Act, 2013 and having its registered office situated at at Flat No.202, 3A/172 Azad Nagar, Kanpur 208002, Uttar Pradesh.</p> <p><b>Transferee Company:</b> Yash Pakka Limited, incorporated under the provisions of the Companies Act, 1956 and having its registered office at 2nd Floor, 24/57, Birhana Road, Kanpur – 208001, Uttar Pradesh.</p>
b)	Whether the transaction would fall within related party transaction? If yes, whether the same is done at arm's length basis.	<p><b>Related Party</b></p> <p>Yes, both the companies involved in the Scheme have common promoters.</p> <p><b>Arm's Length Basis</b></p> <p>Yes, the Scheme has been contemplated at an arm's length basis. An Independent Valuation Report has been obtained from M/S Sudha Bhushan, Registered Valuers and fairness opinion has been obtained from merchant banker -Mark</p>

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Jagdeep Pura  
Managing Director & CEO

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		Capital Advisory Services.
c)	Area of business entities	<p>YCL is <i>inter-alia</i> engaged in the business of trading of compostable products. YCL is also a marketing company and has played a major role in development of the brand named 'Chuk' which is owned by YPL. YCL is expanding its business throughout the country. In view of the ban levied on plastic by quite a few of the states in our country which has resulted in the rise in the demand for compostable products. With the outbreak of Co-vid 19 pandemic, the demand for disposable cutlery and plates has also increased instead of regular dine ware. YCL has established logistic and supply chain network which is a pre-requisite for the growth of any FMCG product.</p> <p>The Company is <i>inter-alia</i> engaged in the business of manufacturing and trading of products like Pulp, Kraft Paper, Poster Paper, Moulded (Tableware) Products, Bagasse Pith Pallets, and Egg Tray.</p> <p>YPL has more than 40 years of manufacturing experience in paper industry and has all technical know-how into making of world class pulp which will ensure world class compostable products from the machine. The new machines are capable of producing right quality products required domestically and internationally. In house production of pulp by YPL, which is a basic input for compostable products give YPL an edge over other competitors. With support from trusted marketing partner like YCL brand Chuk has become a popular name among the customers.</p>

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<p>d)</p>	<p>Rationale for amalgamation/merger.</p>	<ul style="list-style-type: none"> <li>➤ YCL and YPL, belonging to the same group of management, it would be advantageous to combine the activities and operations in a single entity. The amalgamation would create synergies between two complementing companies with similar objective and business line.</li> <li>➤ Both YPL and YCL have their independent B2B customer's and dealer networks, supply chain and logistic partners, the amalgamation will also provide synergistic linkages besides economies in costs by combining the total business functions in all segments including sales, procurement, logistic activities and the related activities and operations and thus contribute to the profitability of the amalgamated entity.</li> <li>➤ Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the merged entity to compete on a larger scale in the industry, thus benefiting the merged entity and the shareholders.</li> <li>➤ The amalgamation will enable the merged entity to build up a diversified product portfolio in YPL and will assist the merged entity with faster and quicker decision making as both manufacturing and marketing activities are under the same management.</li> <li>➤ The amalgamation will enable the merged</li> </ul>
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Managing Director & CEO

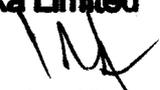
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		<p>entity to get direct access to customers which will give them a better understanding of the market taste and customer requirements. This will assist the merged entity to produce right quality required for different market segment</p> <ul style="list-style-type: none"> <li>➤ With YPL having a manufacturing experience of more than 40 years alongwith all the requisite technical know-how to produce in house paper pulp which is a basic input for compostable products, gives YPL an edge over other competitors and YCL a company involved in marketing will result in the merged entity to have all the necessary functions under one roof. It is considered desirable and expedient to consolidate and amalgamate the business of both YCL and YPL so as to bring both the functions will be under the same management, production planning process will become more aligned to the customer needs which will result in a stronger asset base and skills to conduct the business in the emerging environment and to rationalise the costs of business.</li> <li>➤ The amalgamation will increase the net worth of YPL which would enable it to capitalise upon such improved net worth to enhance the stake holders' value.</li> <li>➤ The amalgamation will increase financial strength, enhance flexibility and ability to raise larger resources, attract and retain better talent and undertake larger support</li> </ul>
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		<p>services related projects.</p> <ul style="list-style-type: none"> <li>➤ The amalgamation will result in integration and effective utilisation of resources, which is likely to result in optimising overall shareholder value and improvement in competitive position of YPL as a combined entity.</li> <li>➤ The amalgamation will result in economy of scale, reduction in overheads, administrative and other expenditure, efficiency and optimal utilisation of various resources.</li> <li>➤ The amalgamation will bring both the entities under one roof to portray one face to all the parties with whom the Yash Group deals.</li> <li>➤ The amalgamation will result in better leveraging of facilities, infrastructure and resources.</li> <li>➤ Duplication of administrative functions together with the multiple record keeping will be eliminated, resulting in over-all reduction in expenditure.</li> <li>➤ The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by YCL as well as by the YPL.</li> <li>➤ This merger will provide an opportunity to</li> </ul>
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		<p>leverage assets and build a stronger sustainable business. It will provide an opportunity to fully leverage stronger asset capabilities, experience, expertise and infrastructure of both the companies and thus increased ability for promotion of business activities as well as for fund raising as may be required for business development.</p> <ul style="list-style-type: none"> <li>➤ The merger would lead to synergic benefits, efficiency of operations and management, rapid growth of the entity, optimum utilization of its resources and minimization of the administrative and operative costs.</li> <li>➤ The merger will result in a value creation for the shareholders and stakeholders of YCL and YPL as the combined amalgamated company will have improved efficiency, market share, financial structure, larger cash flows and stronger consolidated revenue and profitability.</li> <li>➤ The merger of YCL with YPL would result in consolidation of business activities of both the companies and will facilitate effective management of investments and synergies in operation.</li> <li>➤ There is no likelihood that any shareholder or creditor or employee of YCL and YPL would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other</li> </ul>
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		stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.
e)	In case of cash consideration- amount, otherwise share exchange ratio.	As per the Valuation Report prepared by the MS. Sudha Bhushan, Registered Valuer (Reg. No.: IBBI/RV/07/2019/12234) the share exchange ratio determined was 68.63: 1 i.e. (Sixty Eight point Sixty three) equity share of Rs.10 each credited as fully paid up in the Company for every [1] ([One]) equity share of Rs.10 each fully paid up held by them in YCL on basis of the valuation of the assets and liabilities of the Company carried out by them as provided in their report. However Board believes that the per share value of YPL should be revised upward to Rs 41.68 Per Share as against the value arrived by Registered Valuer at Rs 34.48. Accordingly the new share exchange ratio will be 56.77: 1 i.e. (Fifty Six point Seventy Seven) equity share of Rs.10 each credited as fully paid up in the Company for every 1 (One) equity share of Rs.10 each fully paid up held by them in YCL
f)	Brief details of change in shareholding pattern (if any) of the listed entity.	Subsequent to the sanction of the Scheme, the Company will make an application for listing of the New Shares (issued pursuant to the Scheme) on the stock exchange in which the shares of the Company are listed, in pursuance to the relevant regulations including, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circulars.  Upon the Scheme coming into effect, the promoter shareholding of consolidated entity (i.e. the Company) will be 49.1% of the total paid-up share capital of the Company as against current 45.1% of

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		<p>the total paid-up share capital of the Company.</p> <p>Upon the Scheme coming into effect, the public shareholding of consolidated entity (i.e. the Company) will be 50.9% of the total paid-up share capital of the Company as against current 54.9% of the total paid-up share capital of the Company.</p>
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The meeting of Board of Directors commenced at 10:00 am and adjourned at 01:00 PM for Auditors Reports and started again at 02:00 pm and concluded at 02:30 pm.

This is for your information and record.

Thanking you,

Certified True Copy  
For Yash Pakka Limited



  
Jagdeep Hira  
Managing Director  
DIN: 00182260