

NOTICE OF THE MEETING OF THE EQUITY SHAREHOLDERS OF NAVARATHNA HOUSING FINANCE LIMITED ('COMPANY') CONVENED BY THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH

DAY	FRIDAY
DATE	22 ND April 2022
TIME	11:00 AM
VENUE	2/102, Third Street (First Floor) Karpagam Avenue, RA Puram, Chennai -600 028, Tamil Nadu.

POSTAL BALLOT AND E-VOTING

COMMENCES ON	11:00 AM
ENDS ON	

INDEX

S. No.	Particulars	Page No.
1	Notice of meeting of the equity shareholders of Navarathna Housing Finance Limited convened by Order of the National Company Law Tribunal, Chennai Bench under Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	
2	Explanatory statement under Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	
3	Annexure 1 Scheme of Arrangement between Navarathna Housing Finance Limited ('the Transferee Company') and Navarathna Financial Services Limited.	
4	Annexure 2 Copy of Valuation Report dated 23rd March 2021 issued by Mr.Lalit Kumar Dangji, Registered Valuer, Mumbai	
5	Annexure 3 Report adopted by the Board of Directors of Navarathna Housing Finance Limited (the Transferee Company) at its meeting held on 25 th March 2021	
9	Map of the venue of the meeting	
10	Proxy Form (in loose leaf form)	
11	Attendance Slip (in loose leaf form)	
12	Postal Ballot Form and self-addressed postage prepaid Business Reply Envelope (in loose leaf form)	

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH – II, CHENNAI
CHE/C.A.(CAA)/110/2021**

In the matter of Companies Act of 2013

and

In the matter of Section 230 and other applicable provisions of the Companies Act, 2013

and

In the matter of Scheme of Arrangement between Navarathna Housing Finance Limited('the
Transferee Company') Navarathna Financial Services Limited ('Scheme')

Navarathna Housing Finance Limited,

A company incorporated as a public limited company
(CIN: U65922TN2015PLC100156)

The registered office of the Transferee Company
2/102, Third Street (First Floor) Karpagam Avenue,
RA Puram, Chennai -600 028, Tamil Nadu.

Represented by its Director,
Mr. ChokkalingamPalaniappan

... Applicant Company/Transferee Company

FORM NO. CAA. 2

[Pursuant to Section 230(3) and Rule 6 and 7]

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF NAVARATHNA HOUSING
FINANCE LIMITED PURSUANT TO THE ORDER DATED 11th February, 2022 BY THE NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH**

To

The Equity Shareholders of Navarathna Housing Finance Limited ('the Transferee Company')

Notice is hereby given that by an Order dated 11th February, 2022, the Chennai Bench of the National Company Law Tribunal ('NCLT' or 'Tribunal') has directed a meeting to be held of the equity shareholders of the Transferee Company for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement between Navarathna Housing Finance Limited ('the Transferee Company') and Navarathna Financial Services Limited ('the Transferor').

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of the equity shareholders of the said company will be held at 2/102, Third Street (First Floor) Karpagam Avenue, RA Puram, Chennai -600 028, Tamil Nadu **Friday, 22nd April, 2022 at 11.00 A.M** which time and place the said equity shareholders of the Transferee Company are requested to attend.

To transact the special business mentioned below, this notice is given for consideration of the resolution mentioned below, to be passed at such Tribunal conveyed meeting.

The Board of Directors of the Transferee Company had at their meeting held on 25th March 2021, approved the Scheme, subject to the sanction of the Tribunal and such other authorities as may be necessary.

In the said meeting, the following business will be transacted:

To consider, and if thought fit, approve with or without modification(s), the following resolution under Section 230 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force):

“RESOLVED THAT pursuant to the provisions of Section 230 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and the National Company Law Tribunal Rules, 2016 and in accordance with relevant clauses of the Memorandum of Association and Articles of Association of the Transferee Company and subject to the approval of the National Company Law Tribunal (‘NCLT’ or ‘Tribunal’), Chennai Bench and subject to such other approvals, permissions and sanctions of regulatory authorities, if any, as maybe necessary and subject to such conditions and modifications as maybe prescribed by Tribunal or by any regulatory authorities, while granting such consents, approvals and permissions, which maybe agreed to by the Board of Directors, the proposed Scheme of Arrangement (‘Merger’) between Navarathna Housing Finance Limited (‘the Transferee Company’) and Navarathna Financial Services Limited and their respective shareholders and creditors(‘Scheme’), placed before this meeting and initiated by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT *the Managing Director of the Transferee Company and any person authorised by the Board, be and is hereby authorised to take all such steps as may be necessary or desirable and do all such acts, deeds, things and matters, including passing of such accounting entries and/or making such adjustments in the books of accounts as may be considered necessary to give effect to the aforesaid Scheme and this Resolution and to accept such alteration, modification and/or conditions, if any, which may be proposed, required or imposed by the Hon’ble National Company Law Tribunal while sanctioning the said Scheme.”*

TAKE FURTHER NOTICE that persons entitled to attend and vote at the meeting, may vote in person or by proxy or postal ballot within one month from the date of receipt of such notice, provided that all proxies in the prescribed form are deposited at the registered office of the Transferee Company at 2/102, Third Street (First Floor) Karpagam Avenue, RA Puram, Chennai – 600 028, Tamil Nadu not later than 48 hours before the meeting. Forms of proxy can be had at the registered office of the Transferee Company.

The Company has also provided an alternative facility to equity shareholders to cast their votes either by Postal Ballot or remote e-voting and notes to this Notice may be referred for the detailed instructions for casting vote by postal ballot or e-voting.

A copy of the Transferor Company and of the statement under Section 230 of the Companies Act, 2013, read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Report of the Board of Directors of the Transferee Company, Valuation Report, Form of Proxy

and the Attendance Slip are annexed to this Notice and can be obtained free of charge at the registered office of the Transferee Company or at the office of its counsel M/s. Mitraa Legal, Kumarpal R Chopra, Pranav Jain P, Advocate, #1, Thirumoorthy Street, T. Nagar Chennai – 600017.

The Tribunal has appointed Mr. G. Ramachandran and failing him Mr. Chokkalingam Palaniappan (Managing Director) as Chairman of the said meeting including for any adjournment or adjournments thereof. The Scheme, if approved by the meeting, will be subject to the subsequent approval of the tribunal.

Dated this 15th March 2022

Place: Chennai

Sd/-

MR. G Ramachandran

Chairman appointed for the meeting

Registered Office:

2/102, Third Street (First Floor)

Karpagam Avenue, RA Puram,

Chennai – 600 028, Tamil Nadu

NOTES:

- 1. A member entitled to attend and vote at the Tribunal convened Meeting (the 'Meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Transferee Company.**

The instrument appointing the proxy should, however, be deposited at the registered office of the Transferee Company not less than forty-eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Transferee Company carrying voting rights. A member holding more than ten percent of the total share capital of the Transferee Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Form of Proxy is annexed this Notice and can also be obtained from the registered office of the Company.
3. All alterations made in the Form of Proxy should be initialled.
4. During the period beginning 24 (Twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Transferee Company, provided that not less than 3 (three) days of notice in writing is given to the Transferee Company.
5. A statement pursuant to Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, setting out material facts, in respect of Special Business as set out above to be transacted at the meeting is annexed hereto and forms part of this Notice.
6. The quorum of the meeting of the Equity Shareholders of the Transferee Company shall be 2 members present in person.
7. The Notice is being sent to all the equity shareholders, whose names appear in the Register of Members/ List of Beneficial Owners as received from the National Securities Depository Limited ('NSDL')/ Central Depository Services (India) Limited ('CDSL') as on 31st December, 2020 (cut-off date).
8. Voting rights shall be reckoned on the paid-up value of the equity shares registered in the name of members as on 31st December 2020, i.e., the cut-off date for determining shareholders eligible for voting at the Tribunal convened meeting of the Equity Shareholders. Persons who are not equity shareholders of the Transferee Company as on the cut-off date should treat this notice for information purposes only.
9. Only registered Equity Shareholders of the Transferee Company shall attend (in person or by proxy) and vote at the Tribunal Convened Meeting of the equity shareholders.
10. Registered Equity Shareholders are informed that in case of joint holders attending the meeting, joint holder whose name stands first in the Register of Members and in his / her absence by the next named member of the Company in respect of such joint holding will be entitled to vote.
11. Equity Shareholders are requested to hand over the enclosed Attendance Slip, duly filled and signed in accordance with their specimen signature(s) registered with the Transferee Company / Depository for admission to the meeting hall. Shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification at the meeting.

12. The material documents referred to in the accompanying Statement shall be open for inspection at the Registered Office of the Transferee Company on all working days up to the date of declaration of results of the meeting.
13. Members are requested to note that the venue of the Tribunal convened meeting of the equity shareholders of the Transferee Company is at 2/102, Third Street (First Floor) Karpagam Avenue, RA Puram, Chennai – 600 028, Tamil Nadu and the route map containing the complete particulars of the venue is attached to this Notice.
14. Members may also note that in accordance with Section 230 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Transferee Company has also provided an alternative facility to the Equity Shareholders to cast their votes either by Postal Ballot or remote E-Voting and the Notes to this notice may be referred for the detailed instructions for casting vote by Postal Ballot and E-Voting.
15. Mrs. J. Bharathi, Chennai has been appointed as scrutinizer for the said meeting of the Equity Shareholders for conducting the Postal Ballot, remote e-voting and poll process in a fair and transparent manner.
16. Post the meeting, the Scrutinizer will submit the combined report to the Chairman of the meeting after completion of scrutiny of the votes cast by the equity shareholders of the Company through (i) Postal Ballot, (ii) ballot or polling paper at the venue of the meeting and (iii) remote e-voting. The scrutinizer's decision on the validity of the votes shall be final. The results of votes cast through (i) Postal Ballot, (ii) ballot or polling paper at the venue of the meeting and (iii) remote e-voting will be announced on or before 20th March, 2022 at the registered office of the Company. The results as declared by the Chairman, along with the reports of the scrutinizer shall be displayed at the registered office of the Company situated at 2/102, Third Street (First Floor) Karpagam Avenue, RA Puram, Chennai – 600 028, Tamil Nadu.
17. Members may note that each equity shareholder can opt for only one mode of voting i.e., at the venue of the meeting of the equity shareholders of the Company or by remote e-voting or by postal ballot. If you opt for remote e-voting or postal ballot, then do not vote at the venue of the meeting. In case of shareholders exercising their right to vote in all modes, then remote e-voting shall prevail over voting by the said shareholder at the venue of the meeting of the equity shareholders and postal ballot and the vote cast at the venue of the meeting by that shareholder shall be treated as invalid. In case of shareholders exercising their right to vote by postal ballot and e-voting, then voting through e-voting shall prevail and voting done by ballot paper shall be treated as invalid, notwithstanding whichever is cast first. In case of shareholders exercising their right to vote in by postal ballot and at the venue of the meeting of the equity shareholders, then voting through postal ballot shall prevail and the vote cast at the venue of the meeting by that shareholder shall be treated as invalid.
18. The detailed instructions for voting are as under:

i. VOTING THROUGH POSTAL BALLOT FORM

- An Equity Shareholder desiring to exercise vote by postal ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the scrutinizer in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier or by registered post at the expense of the Equity Shareholder will also be

accepted. The envelopes may also be deposited personally at the address given thereon.

- The postal ballot form duly completed and signed should be returned in the enclosed self-addressed postage prepaid Business Reply Envelope so as to reach the scrutinizer on or before Thursday, 22nd day of April 2022 at 5.00 PM failing which, it shall be strictly treated as if the reply from the Equity Shareholder has not been received. Hence, the members are requested to send the duly completed postal ballot form well before Thursday, 22nd Day of April 2022, providing sufficient time for postal transit.
- The Equity Shareholders are requested to carefully read the instructions printed overleaf the postal ballot form before exercising their votes.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH

CHE/C.A.(CAA)/110/2021

In the matter of Companies Act of 2013

and

In the matter of Section 230 and other applicable provisions of the Companies Act, 2013

and

In the matter of Scheme of Arrangement between Navarathna Housing Finance Limited ('the Transferee Company') Navarathna Financial Services Limited ('Scheme')

Navarathna Housing Finance Limited,

A company incorporated under the Companies Act, 1956

Having its registered office at 2/102,

Third Street (First Floor) Karpagam Avenue,

RA Puram, Chennai – 600 028,

Tamil Nadu Represented

by its Managing Director,

Mr. Chokkalingam Palaniappan

... Applicant Company/Transferee Company

STATEMENT TO THE NOTICE OF THE MEETING OF EQUITY SHAREHOLDERS OF NAVARATHNA HOUSING FINANCE LIMITED UNDER SECTION 102 AND 230(3) OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

The Board of Directors of the Company at their meetings held on 25th March 2021 had approved the Scheme of Arrangement between Navarathna Housing Finance Limited ('the Transferee Company') and Navarathna Financial Services Limited and their respective shareholders and creditors ('Scheme').

In accordance with the Order of the National Company Law Tribunal, Chennai Bench the resolution as mentioned in the Notice along with the details as required is being placed for the approval of the members.

I. Details of the order of the Tribunal directing the calling, convening and conducting of the meeting

- a. The National Company Law Tribunal, Chennai Bench, by an Order dated 11th February 2022 ('Order') in the Transferee Company Application referred to above, has directed the convening of the meeting of the Equity Shareholders of Navarathna Housing Finance Limited ('the Transferee Company') to be held on 17th March, 2022 at the registered office at 2/102, Third Street (First Floor) Karpagam Avenue, RA Puram, Chennai – 600 028 for the purpose of considering and approving the Scheme of Arrangement between Navarathna Housing Finance Limited ('the Transferee Company') and Navarathna

Financial Services Limited and their respective shareholders and creditors ('Scheme') under Section 230-232 and other applicable provisions, if any, of the Companies Act, 2013. The Hon'ble National Company Law Tribunal fixed -- members present in person as the quorum for the said meeting. In case, the said quorum is not present at fixed time for meeting, the meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum. The Hon'ble National Company Law Tribunal has appointed Mr. G. Ramachandran and failing him, the Managing Director of the Applicant, as the Chairman of the meeting.

- b. The National Company Law Tribunal, Chennai Bench by the said Order further dispensed with the convening of the meetings of the secured creditors and unsecured creditors of the Transferee Company.

II. Details of the Navarathna Housing Finance Limited ('the Transferee Company'):

- a. **Corporate Identification Number (CIN):** U65922TN2015PLC100156
- b. **Permanent Account Number (PAN):** AAECN9105E
- c. **Name of the Transferee Company:** Navarathna Housing Finance Limited
- d. **Date of Incorporation:** 9th September 1981
- e. **Type of Company:** Unlisted Public Limited Company
- f. **Registered Office Address & E-mail Address:**

Regd. Off. Address	E-mail Address
2/102, Third Street (First Floor) Karpagam Avenue, RA Puram, Chennai – 600 028, Tamil Nadu	nhflheadoffice@gmail.com.

- g. **Summary of main object as per the memorandum of association; and main business carried on by the Transferee Company**

Summary of main object as per the memorandum of association

1. *To carry on the business on providing short term/long term finance to any person(s) company(ies) or corporation(s), society(ies) or association(s) jointly or individually enabling such borrowers to construct or purchase any building(s) or house(s) or flat(s) or any part thereof for residential / commercial purposes, upon such security and such terms and conditions as the company may deem fit including affordable housing finance and also, to provide short term/long term finance to person engaged in the business of construction of building(s) or house(s) or flat(s) for residential / commercial purpose to be sold by them upon such terms and conditions as the company may deem fit and proper. And to provide financial assistance, with or without interest (with security or without security) for any maturity, in any form whatsoever, to any person or persons (whether individual, firms, companies, bodies corporate, public body or authority, supreme, local or otherwise or entities), whether in the private or public sector, to purchase or acquire houses, building, offices, godowns, warehouses flat or to purchase any freehold or leasehold or any lands, estate or interest in or to take a demise for any term or terms of year of any land and property or to construct, erect, improve, extend, alter, renovate, develop or repair any house or building or any part of*

portion thereof. And to provide financial assistance, with or without (with or without security) for any maturity, in any form whatever to any person or persons (whether individual, firm, companies, bodies corporate, public body or authority, supreme, local or otherwise or other entities) whether in private or public sector for any purpose whatsoever by means of leasing, giving on hire or hire-purchase, lending, selling, re-selling or otherwise disposing off all forms of immovable and immovable properties and assets of any kind, nature or user, whatsoever and for the purpose, purchasing or otherwise acquiring dominion over the same, whether new or used.

- 2. To provide financial assistance with or without interest, (with or without Security) for any maturity, in any form whatsoever, to any person or person (whether individuals), firms, companies, bodies corporate, public body or authority, supreme, local or otherwise or other entities), whether in the private or public sectors engaged in the construction of residential houses, flats for the purpose of construction of such residential houses, flats, for the purpose of construction of such residential houses, flats, including the acquisition and development of lands for the construction of such houses or flats. And to provide financial assistance, with or without interest (with or without security) for any maturity, in any form whatsoever, to any person or persons (whether individuals, firms, companies, bodies corporate, public body or authority, supreme, local or otherwise or other entities), whether in the private or public sectors engaged in the manufacture of building materials as well as construction equipment and machinery.*
- 3. To securitize, purchase, acquire, invest in, transfer, sell, dispose of or trade in any financial asset whatsoever, receivables, debts, whether unsecured or secured by mortgage of immovable or charge on movables or otherwise, securitized debts, asset or mortgage backed securities or securitized debts and to manage, service or collect the same and to appoint managing, servicing or collection agent thereof and to issue investors and to guarantee and insure the due payment, fulfilment and performance of obligations in respect thereof or in connection therewith and to promote, establish, undertake, organize, manage, hold or dispose of any special purpose entity, body corporate or vehicle for carrying on all or any such activities and to promote, organize, manage and undertake trading, marketing, distribution of, or otherwise dealing in or all financial products/ assets and services, offered by individuals, partnership firms, companies, banks, public sector undertakings, institutions, financial institutions, mutual funds, foreign institutional investors, venture funds, firms, trusts, societies, corporation, Central Government, State Government, quasi – government agencies or anybody (whether incorporated or not) in India or elsewhere, through its branches or through facilities for conducting remote financial transactions (including by means of electronic or computer or automated machines network or other means of telecommunication including telephone), including foreign exchange or commodities or securities ie, shares, scrips, stocks, bonds, warrants, debentures, fixed return investments, equity linked investments or participation certificates, participation units, debts whether unsecured or secured by mortgage or immovable or charge on units, debts whether secured unsecured or secured by mortgage of movables or charge on movables or otherwise,*

securitized debts, assets or mortgaged backed securities or any other securities/instruments, issued by any company or body (whether incorporated or not) in India or elsewhere, negotiable instruments including issuance bills of exchange, hundies, promissory notes, deposits and other indicates, or consumer and personal finance, fund management products (pensions) insurance products and annuities, or as agents of person undertaking provision of such products and services.

4. *To carry on the business of money lending for personal business, agriculture and allied purpose against the security of land, building, two-wheeler, other vehicles, machinery, gold, consumer durables or otherwise, within the stipulated limit permitted by the Regulators or another Statutory Authorities.*
5. *To borrow funds from Banks, Non-Banking Companies, Financial Institutions like NHB, SIDBI, NABARD, etc. corporate Bodies, firms, Individual and Trusts and lend own funds as well as borrowed funds under various types of credit facilities and take appropriate action of recovery of the money lend subject to RBI/NHB and other Regulators or any other Statutory Authorities.*
6. *To engage in Micro Finance activities and thereby provide financial assistance to that segment of the population belonging to the rural and urban poor so as to enable them to engage themselves in productive ventures and thus uplift their overall well-being.*

And such other objects are more fully mentioned in the Object Clause of the Memorandum of Association of the Transferee Company.

Main business carried on by the Company

Presently the Company is engaged in business activity of housing finance.

Details of change of name, registered office and objects of the Company during the last five years:

The Company has not changed its name or registered office or its objects during the last five years.

h. Name of the stock exchange(s) where securities of the Transferee Company are listed, if applicable:

The equity shares of the Company are not listed on any stock exchange(s).

i. Details of the capital structure of the Transferee Company including authorised, issued, subscribed and paid-up share capital:

Share Capital	Amount in INR
<i>Authorized share capital</i>	
Equity Share Capital 1,30,00,000 equity shares of Rs. 10 - each	13,00,00,000/-

Total	13,00,00,000/-
<i>Issued, subscribed and paid-up share capital</i>	
Equity Share Capital 1,38,14,306 equity shares of Rs. 10/- each all fully paid up	13,81,43,060/-
Total	13,81,43,060/-
<i>Fully Paid-Up Shares</i>	
Equity Share Capital 1,38,14,306 equity shares of Rs. 10/- each fully paid up	13,81,43,060/-
Total	13,81,43,060/-

j. Names of the promoters and directors along with their addresses as on 31st August 2021

Names of Promoters:

S. No.	Name of the Promoters	Addresses
1	Mr. Chokkalingam Palaniappan	Flat No. 6, Sri Siddhi Apartments, No. 4, 6 th Main Road, R. A. Puram, Chennai – 600 028
2	Mr. AR Muthuraman	No. 5/25, Annamalaiyar Street, Arimalam - 622201 (Pudukottai District)
3	Mrs. Meenakshi Chockkalingam	Flat No. 6, Sri Siddhi Apartments, No. 4, 6 th Main Road, R. A. Puram, Chennai – 600 028
4	Mr. T. Sokkalingam	No. 1/6/140, Annamalaiyar Colony, Sivakasi Pin: 623143
5	Mrs. Vallikannu Sokkalingam	No. 1/6/140, Annamalaiyar Colony, Sivakasi Pin: 623143
5	Mr.TR Ramanathan	Flat B6, Block B Second Floor, PLA Royal Arcade 10 th Cross, West Extn. Thillai Nagar, Trichy- 620018
7	Mrs.TR R Manonmani	Flat B6, Block B Second Floor, PLA Royal Arcade 10 th Cross, West Extn Thillai Nagar, Trichy- 620018

Names of Directors:

S. No.	Name of the Directors	Addresses
1	Sri. Chokkalingam Palaniappan	Flat No. 6, Sri Siddhi Apartments, No. 4, 6 th Main Road, R. A. Puram, Chennai – 600 028
2	Mr. Neelamegam Balamurugan	No:12A, 10Th Cross, South Extn, Ramalinga Nagar,Puthur Tiruchirappalli 620017 TN
3	Mr. Palaniappan Alagappan	A3, Fourth Floor, Vijayasri Apartments, Dr. A Thangaraj Salai, K.K. Nagar Madurai 625020 TN
4	Mrs. Devikala Venkatkumar	No. 19, Kanakkan Street, Mannargudi, Thiruvarur – 614 013.
5	Srimathi .Thirupathi Ramanathan Manonmani	No. 602, Bhoomi Ratna CHS, Plot No. 74 Sector 21, Navi Mumbai - 410 210.
6	Sri. AR Muthuraman	No. 5/25, Annamalaiyar Street, Arimalam - 622201 (Pudukottai District)

III. The Scheme of Arrangement is between Navarathna Housing Finance Limited and Navarathna Financial Services Limited. Accordingly, there is no other Company involved in the Scheme. Hence, disclosure of the fact and details of any relationship between the companies who are parties to the Scheme does not arise.

IV. The Board of Directors of the Transferee Company at their meeting held on 25th March 2021 approved the Scheme Arrangement between Navarathna Housing Finance Limited ('the Transferee Company') and Navarathna Financial Services Limited and their respective shareholders and creditors.

All the directors present at the meeting voted in favour of the resolution. Names of directors and the details of voting on the said resolution in the Transferee Company are as follows:

Names of directors who voted in favour of the resolution	a. Mr. Chokkalingam Palaniappan b. Mr. Neelamegam Palaniappan c. Palaniappan Alagappan d. Mrs. Devika Venkatkumar e. Mrs. TRR Manonmani f. Mr.AR MUTHURAMAN
Names of Directors who voted against the resolution	None
Names of Directors who did not vote or participate on the resolution	None

V. Explanatory Statement disclosing the details of the Scheme of Arrangement ('Scheme')

a. The Scheme inter alia provides for the allotment of the shares held by the equity shareholders of the Transferor Company, after the scheme becomes effective, in a particular ratio as detailed in the scheme. A copy of the Scheme has been annexed herewith as **Annexure 1** to this Notice

b. Appointed date:

The appointed date for the Scheme of Arrangement is the effective date.

c. Effective Date:

Effective Date shall be the date on which the certified copy of the order of the National Company Law Tribunal sanctioning this Scheme is filed with the Registrar of Companies, Coimbatore, Tamil Nadu by the Transferee Company.

d. Fair Exchange ratio and other considerations, if any:

In terms of Clause 18 of Part III of the Scheme, upon the Scheme becoming effective, the Company shall issue and allot to the equity shareholders of the Transferor Company, whose names are registered in their Registers of members, or his heirs, executors as the case may be, successors, equity shares of INR 10 each credited as fully paid-up equity shares of the Transferee Company, in the ratio of 175 shares (of Navarathna Housing Finance Limited) for every 100 equity shares (of Navarathna Financial Services Limited) of the face value of INR 10 each as fully paid up.

No Fractional Shares shall be issued by the Transferee Company in respect of fractional share entitlement, if any, to which the shareholders of the Transferor Company may be entitled to under the scheme. On issue and allotment of shares by the Transferee Company as aforesaid, the Board of the Transferee Company shall round off the fractional shares to the nearest one

e. Summary of Valuation Report:

Mr.Lalit Kumar Dangi, Registered Valuer, Mumbai was appointed to determine the Fair Exchange Ratio for the purpose of Scheme of Arrangement.

Accordingly, Mr.Lalit Kumar Dangi adopted the Breakup Value Method for the valuation and recommended the Share Exchange Ratio as mentioned above.

A copy of the valuation report dated 23rd March 2021 issued by Mr.Lalit Kumar Dangi has been annexed herewith as **Annexure 2** to this Notice. The valuation report is also available for inspection at the registered office of the Company on all working days up to the date of declaration of results of meeting.

f. Details of Capital or Debt Restructuring:

The Scheme does not provide for any debt restructuring.

g. Rationale & Benefits for the Transferor Company of Arrangement:

The rationale for the Scheme is as follows:

- The rationale behind the scheme is to build sustainable and profitable banking finance and housing finance business in India. The Transferor and Transferee company expect significant synergies through various opportunities, operational movements, and scale efficiencies in banking finance and housing finance business.
- The merger will result in consolidation of the businesses of the companies resulting in expansion of the consolidated business and creation of greater value for the shareholders and all other stakeholders.
- The proposed arrangement would provide the Public Shareholders with liquidity for their investments.
- The public shareholders of the Company would be able to realise substantial value for the investments held by them in the Company which would otherwise not be available to them.
- The Company has surplus assets and funds which is in excess of the needs of the Company which could be put to better use in the hands of the shareholders.

h. Amount due to unsecured creditors of the Transferee Company

As on 31st December, 2020 the Applicant Company has 8 unsecured creditors valuing INR 1,11,60,292/- (Indian Rupees One Crore Eleven Lakhs Sixty Thousand Two Hundred and Ninety Two only) due to the unsecured creditors.

VI. Disclosure about the effect of the Scheme on:

(a) Key Managerial Personnel:

The KMP of the Company will remain the same at the time of merger; therefore there will be no adverse effect on the KMP of the company.

(b) Directors:

The Directors of the Transferee Company and / or their relatives are interested to the extent of their shareholding in the Transferee Company and to the extent to which the

equity shares of the company may be transferred/ distributed to them pursuant to the Scheme. As such there will be no adverse impact on them consequent to the Scheme.

(c) Promoters:

The promoters of the Company and / or their relatives are interested to the extent of their shareholding in the Company. The shares held by the promoters will not be reduced / cancelled under the said Scheme. As such there will be no adverse impact consequent to the Scheme.

(d) Non-promoter members:

There will be no adverse effect on the non-promoter members, all members will be treated at par and shares will be allotted proportionately as per exchange ratio.

(e) Depositors:

The Transferee Company has not accepted any deposits and hence disclosure as to effect of the Scheme on the depositors does not arise.

(f) Secured Creditors:

As on 31st December, 2020 the Applicant Company has 1 secured creditor valuing INR 33,55,636/- (Indian Rupees Thirty Three Lakhs Fifty Five Thousand Six Hundred and Thirty Six only) due to the unsecured creditors

(g) Debenture Holders:

The Company has not issued any debentures and hence disclosure as to effect of the Scheme on the debenture holders does not arise.

(h) Deposit Trustee & Debenture Trustee

The Company has no deposit trustees or debenture trustees and hence the disclosure as to effect of the Scheme on them does not arise.

(i) Employees:

All the employees of the Transferor company shall become the employees of the Transferee company without interruption by reason of such transfer and on terms and conditions of employment applicable to the said employees shall not in any way be less favourable to them than those applicable to them immediately prior to the transfer date.

VII. Disclosure about effect of the Scheme on material interests of Directors, Key Managerial Persons and Debenture trustees

The Scheme does not have any effect on the material interests of the Directors of the Company except to the extent of their Shareholding in the Transferee Company and to the

extent to which shares of the company may be transferred / distributed to them pursuant to the Scheme.

The KMP of the Company will remain the same at the time of merger, therefore there will be no adverse effect on the KMP of the company.

VIII. Investigation or proceedings, if any, pending against the Transferee Company under the Act:

No investigation proceedings have been instituted or are pending in relation to the Transferee Company under the Companies Act, 1956/ 2013.

IX. Documents available for inspection by the shareholders and creditors:

The following documents will be open for inspection at the Registered Office of the Transferee Company, on all working days upto the date of declaration of results of meeting:

- a. Certified copy of the Order dated 11th February 2022, passed by the National Company Law Tribunal, Chennai Bench in **CA(CAA)/110/CHE/2021**
- b. Copies of the Memorandum and Articles of Association of the Company.
- c. Copies of the annual reports for the last three financial years (i.e., 31st March 2021, 31st March 2020 and 31st March 2019) of the Company
- d. Copy of the Scheme of Arrangement
- e. Copy of the extracts of the Board Resolution dated 25.03.2021 of the Company approving the Scheme of Arrangement.
- f. Copy of the Valuation Report dated 23.03.2021 issued by Mr. Lalit Kumar Dangi, Registered Valuer.
- g. Copy of the Report adopted by the Board of Directors of the Company at their meeting held on 25.03.2021.
- h. Contracts or agreements material to the Scheme of Arrangement.
- i. Register of directors' shareholding of the Company
- j. The certificate issued by Auditor of the Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
- k. Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the Scheme

X. Details of approvals from regulatory authorities and approvals yet to be obtained

- a. A copy of the Scheme along with the necessary statement under Section 230 read with Rules 6 and 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall also be forwarded to the Registrar of Companies, Regional Director, Income Tax Authorities and such other authorities as stipulated in

terms of the Order of the National Company Law Tribunal, Chennai Bench dated 11th February, 2022.

- b. The Scheme is subject to the approval by the requisite majority of the classes of persons, including shareholders of the Transferee Company as directed by the National Company Law Tribunal under Section 230 of the 2013 Act.
- c. In accordance with the provisions of Section 230 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of the Transferee Company, voting in person or by proxy or postal ballot or remote e-voting, agree to the Scheme.
- d. Upon approval of the members of the Company, a petition will be made to the National Company Law Tribunal, Chennai Bench for sanctioning the Scheme of Arrangement pursuant to Section 230 of the Companies Act, 2013. The Scheme shall be conditional upon and subject to the sanction of the Tribunal under the provisions of Section 230 of the Act in favour of the Company under the said provisions and to the necessary order of the Act being obtained and filed with the Registrar of Companies, Chennai by the Company.

XI. The shareholders may vote in the meeting either in person or by proxy or through postal ballot or by electronic means, as provided for in this Notice.

XII. Other Matters

- a. The Board of Directors of the Company at their meeting held on 25th March 2021 has adopted a report, inter alia, explaining the effect of the Scheme on Navarathna Financial Services Limited amongst others. Copy of the Report adopted by the Board of Directors is enclosed as **Annexure 3**.

Mr.G.Ramachandran
Chairperson appointed for the meeting

Dated this 15th March 2022