

**COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION**

**AMONGST**

**FAIRCHEM SPECIALITY LIMITED**

**(‘DEMERGED COMPANY’ / ‘TRANSFeree COMPANY’)**

**AND**

**FAIRCHEM ORGANICS LIMITED**

**(‘RESULTING COMPANY’)**

**AND**

**PRIVI ORGANICS INDIA LIMITED**

**(‘TRANSFEROR COMPANY’)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND  
OTHER APPLICABLE PROVISIONS OF COMPANIES ACT 2013**

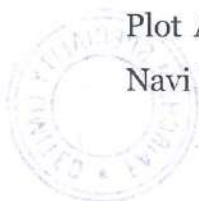


## **A. PREAMBLE**

This Composite Scheme of Arrangement and Amalgamation ('Scheme') is presented under sections 230 to 232, section 66 and other applicable provisions of the Companies Act, 2013 for demerger of Demerged Undertaking (as defined below) of Fairchem Speciality Limited ('FSL' or 'Demerged Company' or 'Transferee Company') into Fairchem Organics Limited ('FOL' or 'Resulting Company') and amalgamation of Privi Organics India Limited ('Privi Organics' or 'Transferor Company') with Fairchem Speciality Limited.

## **B. BACKGROUND OF THE COMPANIES**

- i. FSL is engaged in the business of manufacturing, supplying and exporting of speciality oleo chemicals (natural source) and nutraceuticals (natural source) made from by-products generated from processing of crude vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils.
- ii. The equity shares of FSL are listed and traded on the BSE Limited and the National Stock Exchange of India Limited. The registered office of FSL is at Plot No. A-71, TTC, Thane-Belapur Road, Near Kopar Khairane, Navi Mumbai - 400709.
- iii. FOL is authorized by its memorandum of association to inter alia carry on the business of processing by-products / waste products generated during refining of any kind of edible or non-edible vegetable oils and manufacture various kinds of fatty acids, nutraceuticals intermediates and / or their derivatives utilizing chemical, solvents, catalysts or physical process. FOL is an unlisted public company and the entire share capital of FOL is held by FSL and its nominees. The registered office is at Plot A-71, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai - 400709, Maharashtra, India.



- iv. Privi Organics is in the business of development, manufacture and processing of aroma chemicals and to supply and export aroma chemicals which are used mainly in the flavor and fragrance industry.
- v. Privi Organics is currently an unlisted public company and the entire equity share capital of Privi Organics is held by FSL and its nominees. The registered office of Privi Organics is at Privi House, A-71, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai - 400709, Maharashtra, India.

**C. RATIONALE OF THE COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION**

- i. The current corporate structure of FSL comprises an operating business of manufacturing, supplying and exporting of speciality oleo chemicals and nutraceuticals and a business of developing, manufacturing, supplying, exporting aroma chemicals. The business of aroma chemicals is carried out through Privi Organics, a wholly owned subsidiary of FSL.
- ii. Both the businesses – that of oleo chemical and nutraceuticals; and aroma chemicals require different skill sets, business strategies, R&D support and capital assets. The nature of risk, competition, challenges, opportunities and business methods for both the businesses are distinctly different.
- iii. Each of the varied business being carried out by FSL and by Privi Organics, the wholly owned subsidiary of FSL have significant potential for growth and profitability.
- iv. However, as each business requires significantly different operating and financial strategies, their individual potential will be best realized if the businesses are operated separately and independently.





- v. It is proposed to consolidate the businesses carried on by FSL and through its wholly owned subsidiary into a single identified entity and segregate other businesses into another identified entity. This will create two niche, dedicated and focused business segments without any risk or overlap of one business over the other. Thus, the oleo chemical and nutraceutical business will be housed in a Demerged Undertaking and the business of aroma chemicals will be housed in FSL. To that effect, Privi Organics will be merged with FSL.
- vi. The restructuring arrangement would enable greater/ enhanced focus of the management in each business of FSL and Demerged Undertaking which would facilitate the management of both FSL and the Demerged Undertaking to not only efficiently exploit opportunities for each of the businesses but also enhance efficiency in overall combined business including economies of scale, efficiency of operations which can be deployed more efficiently for the purpose of development of businesses of the respective entities and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value.
- vii. The Scheme will create enhanced value for shareholders and allow a focused strategy and specialisation for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies.
- viii. The Scheme will not in any manner be prejudicial to the interests of the concerned shareholders and creditors or general public at large.

## **I. PARTS OF THE SCHEME**

This Scheme is divided into the following parts:

- i. **Part A** deals with the definitions and share capital;
- ii. **Part B** deals with transfer of Demerged Undertaking (as defined below) from Demerged Company into Resulting Company;





- iii. **Part C** deals with amalgamation of Transferor Company with Transferee Company; and
- iv. **Part D** deals with general terms and conditions applicable to this Scheme.

**PART A**  
**DEFINITIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme, in addition to the terms defined in the text of this Scheme, the following expressions, unless inconsistent with the subject or context, shall have the meanings respectively assigned against them:

- 1.1. **'Act'** means the Companies Act, 2013 and the rules and/ or regulations framed under such a statute and includes any alterations, modifications and amendments made to such a statute or any re-enactment of such a statute, and/ or other guidelines or notifications under Applicable Laws, made thereunder from time to time.
- 1.2. **'Applicable Law'** means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Demerged Company and/or the Resulting Company and/or the Transferor Company; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Demerged Company and/or the Resulting Company and/or the Transferor Company.



- 1.3. **‘Appointed date 1’** means the closing of business hours of 31 March 2019 or such other date as may be approved by the NCLT, or any other competent authority.
- 1.4. **‘Appointed date 2’** means the opening of business hours of 1 April 2019 or such other date as may be approved by the NCLT, or any other competent authority.
- 1.5. **‘Appropriate Authority’** means:
- i. the government of any jurisdiction (including any central, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
  - ii. any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and
  - iii. any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority.
- 1.6. **‘Board of Directors’ or ‘Board’** means and includes the respective Board of Directors of Demerged Company and / or Resulting Company and/or Transferor Company as the case may be, and shall include a duly constituted committee (if any) by such board of directors for the purposes of the Scheme.
- 1.7. **‘Demerged Undertaking’** means undertaking of the Demerged Company engaged in manufacturing, supplying and exporting of specialty oleo chemicals (natural source) and nutraceuticals (natural source) made from by-products generated from processing of crude vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils as a going concern, including the entire business of such undertaking (‘Demerged Company Business’) including in particular, the





following, but without in any manner whatsoever limiting the scope thereof:

- i. The assets, wherever situated, whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including freehold land, leasehold land, buildings, residential or commercial properties, offices, plant and machinery embedded in the earth, manufacturing units, laboratories, warehouses, godowns, depots, vehicles, other fixed assets, brands, trademarks, patents, copyrights, or any other right of a similar nature and other intellectual property rights, domain names, uniform resource locators, leases, leasehold and other tenancy rights, premises, hire purchase and lease arrangements, joint venture agreements and arrangements, right of way agreements and arrangements, rights under business arrangements / agreements / contracts, membership of any club, institution, trade body etc., computers, office equipment, furniture, telephones, telexes, facsimile connections, communication facilities, electrical and other installations, current assets including sundry debtors, deposits, receivables, funds cash, bank balances, accounts, claims, sales tax, service tax, goods and services tax (GST) and other taxes, duties, cess, levies etc. paid regularly or in advance wherever required by Applicable Law or otherwise and all other rights, benefits of all agreements, subsidies, grants, taxes, tax credits, various exemptions / incentives granted under different schemes of the central and state governments and other industrial and intellectual property, import quotas, import entitlements, right to use and avail of telephones, telex, facsimile and other communication facilities and all other interests, raw materials, wrapping, supply, advertisement promotional and packaging material, asset and stores and spares purchase agreements and arrangements, maintenance contracts and arrangements, rights and power of every kind, nature and description, whatsoever, privileges, liberties, advantages, benefits, consents, sanctions and approvals, bills of





exchange, letters of intent and loans and advances whether or not appearing in the books of accounts pertaining to the Demerged Company Business;

- ii. All permits, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals including but not limited to approvals under Pollution Control Regulations and Department of Industrial and Scientific Research, consents, licenses, registrations, filings, rights, contracts, agreements, engagements, insurance licenses, arrangements, authorities, allotments, notarization, declaration, subsidies, concessions, exemptions, incentives, grants, claims, tenancy rights, liberties, special status and other benefits or privileges, remissions, tenancies in relation to office, bank accounts, lease rights, licenses, industrial and other licenses, if any, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of any guarantees, reversions, powers, agreements, contracts and arrangements and all other approvals, sanctions and consents of every kind, nature and description whatsoever and all other interests in connection with or relating to the Demerged Company Business;
- iii. All books, records, files, papers, engineering and process information, computer programs, software, software licenses, manuals, test reports, catalogues, quotation, sales and advertising materials, product registration, data whether in physical or electronic form in connection with or pertaining to the Demerged Company Business;
- iv. All earnest moneys and/or security deposits, if any, paid or received by the Demerged Company in connection with or pertaining to the Demerged Company Business;



- v. All debts, borrowings, obligations, duties and liabilities both present and future (including deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in rupees or foreign currency, relating to the Demerged Company Business;
- vi. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Company Business will include:
  - a. The debts, liabilities obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Company Business;
  - b. The specific loans or borrowings (including debentures bonds, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Demerged Company Business); and
  - c. In cases other than those referred to in Clause (a) or (b) above and not directly relatable to the Demerged Company Business, being the amounts of any general or multipurpose borrowings of the Demerged Company as stand in the same proportion which the value of assets, transferred under this Clause, of the Demerged Company Business bears to the total value of the assets of the Demerged Company immediately before the Appointed Date 1;
- vii. Employees of the Demerged Company employed by the Demerged Company Business as identified by the Board of the Demerged Company, as on the Effective Date;
- viii. Without prejudice to the generality of the provisions of sub-clauses (i), (ii) above, the Demerged Company Business shall include all of the Demerged Company's rights and licenses, all assignments and





grants thereof, benefits, of agreements, contracts and arrangements, powers, authorities, municipal permissions, registrations, engagements, quotas, permits, allotments, approvals, export licenses, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations, benefits, entitlements and incentives of any nature whatsoever including but not limited to GST / sales tax remissions and custom duty exemption certificates, consents, privileges, liberties, advantages, easements pertaining to the Demerged Company Business and all the rights, title, interest, goodwill benefits, entitlement and advantages pertaining to the Demerged Company Business and all other rights and claims of whatsoever nature, howsoever described, and wheresoever situated which pertain to the Demerged Company Business;

- ix. All legal proceedings of whatsoever nature by or against the Demerged Company pending on the Appointed Date 1 and relating to the Demerged Company Business.

*Explanation:*

Any question that may arise as to whether a specified asset or liability pertains or does pertain to the Demerged Company Business or whether or not it arises out of the activities would be decided by the mutual agreement between the Board of the Demerged Company and the Resulting Company. It is clarified that the Demerged Company Business shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the Remaining Business of the Demerged Company.

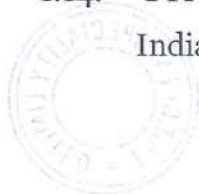
- 1.8. **'Effective Date'** means the date which is the later of (i) the last of the dates on which all the conditions and matters referred to in Clause 28.1 to 28.4 have been fulfilled, obtained or waived, as applicable or (ii) the last of the dates on which the certified or authenticated copies of the orders of the NCLT sanctioning this Scheme is filed with the relevant





Registrar of Companies. Any reference of this Scheme to the 'date of coming into effect of this Scheme' or 'effectiveness of the Scheme' or 'Scheme taking effect' shall mean the Effective Date.

- 1.9. **'FOL' or 'Resulting Company'** means Fairchem Organics Limited, a company incorporated under the Companies Act, 2013 and having its registered office at Plot A-71, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai - 400709, Maharashtra, India.
- 1.10. **'FSL' or 'Demerged Company'** means Fairchem Speciality Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Plot No. A-71, TTC, Thane-Belapur Road, Near Kopar Khairane, Navi Mumbai - 400709.
- 1.11. **'NCLT'** means the National Company Law Tribunal having jurisdiction over the Demerged Company, the Resulting Company and the Transferor Company, as the case may be or such other forum or authority as may be vested with any of the powers for approving any scheme of arrangement, compromise or reconstruction of a company under Section 230 to 232 of the Act of the above mentioned tribunals under the Act.
- 1.12. **'NCLT Order'** means all order(s) passed by the NCLT sanctioning the Scheme and includes any orders passed by NCLT or any other Appropriate Authority's order(s) for extension of time or condonation of delay in filing of the requisite forms with the Registrar of Companies in relation to this Scheme, if applicable.
- 1.13. **'Permits'** means all consents, licences, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory under Applicable Law.
- 1.14. **'Privi Organics' or 'Transferor Company'** means Privi Organics India Limited, a company incorporated under the Companies Act, 2013



and having its registered office at Privi House, A-71 TTC, Thane Belapur Road, Near Kopar Khairane Railway Station, Navi Mumbai 400 709 Maharashtra.

- 1.15. **'Record Date'** means the date to be fixed by the Board of the Resulting Company for the purpose of determining the equity shareholders of the Demerged Company to whom equity shares of the Resulting Company shall be allotted pursuant to demerger under this Scheme.
- 1.16. **'Registrar of Companies'** means the relevant Registrar of Companies, having jurisdiction over the Demerged Company, Resulting Company and Transferor Company, as the case may be.
- 1.17. **'Remaining Business'** means the business of the Demerged Company other than the Demerged Undertaking, along with the investment in Privi Organics India Limited.
- 1.18. **'Scheme' or 'the Scheme' or 'this Scheme'** means this composite scheme of arrangement and amalgamation in its present form or with any modification(s) made under Clause 27 of this Scheme, as approved or directed by the NCLT.
- 1.19. **'SEBI'** means Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
- 1.20. **'SEBI Circular'** means together the circular no CFD/DIL3/CIR/2017/21 issued on March 10, 2017, the circular no. CFD/DIL/3/CIR/2017/26 dated March 23, 2017, the circular no. CFD/DIL3/CIR/2017/105 dated September 21, 2017, and the circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 each issued by SEBI, subject to modification, if any, in accordance with any subsequent circulars and amendments that may be issued by SEBI from time to time.



- 1.21. **'Stock Exchanges'** shall mean BSE Limited and the National Stock Exchange of India Limited collectively.

All terms and words used in this Scheme and 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 and other Applicable Laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

Reference to clauses, recitals and annexures, unless otherwise provided, are to clauses, recitals and annexures of and to this Scheme. The singular shall include the plural and vice versa.

## **2. DATE OF TAKING EFFECT AND OPERATIVE DATE**

- 2.1 This Scheme as set out herein in its present form or with any modification(s) and amendment(s), as may be approved or imposed or directed by the NCLT or made under Clause 27 of this Scheme, shall become effective from Appointed Date 1 or Appointed 2, as the case may be, but shall be operative from the Effective Date.

## **3 SHARE CAPITAL**

- 3.1 The share capital of the Demerged Company as on March 31 2019 was as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised</b>	
50,000,000 Equity Shares of Rs. 10 each	5,00,000,000
5,000,000 Preference Shares of Rs. 10 each	5,00,00,000
<b>Total</b>	<b>550,000,000</b>
<b>Issued, Subscribed and Paid Up</b>	





<b>Particulars</b>	<b>Amount (Rs.)</b>
39,062,706 equity shares of Rs. 10 each, fully paid up	39,06,27,060
<b>Total</b>	<b>39,06,27,060</b>

As on date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Demerged Company.

- 3.2 The share capital of the Resulting Company as on March 31, 2019 was as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised</b>	
10,000 Equity shares of Rs. 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued Subscribed and Paid Up</b>	
10,000 Equity shares of Rs. 10 each, fully paid up	1,00,000
<b>Total</b>	<b>1,00,000</b>

The Resulting Company is a wholly owned subsidiary of the Demerged Company.

- 3.3 The share capital of the Transferor Company as on March 31, 2019 was as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorised</b>	
10,000 Equity Shares of Rs. 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>



<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Issued, Subscribed and Paid Up</b>	
10,000 Equity Shares of Rs. 10 each, fully paid up	1,00,000
<b>Total</b>	<b>1,00,000</b>

As on date of the Scheme being approved by the Board of Directors of the Transferor Company, there has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company. The entire share capital of the Transferor Company is held by the Transferee Company.



## PART B

### TRANSFER AND VESTING OF DEMERGED UNDERTAKING

#### 4. TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM THE DEMERGED COMPANY TO THE RESULTING COMPANY

- 4.1 With effect from the Appointed Date 1, and subject to the provisions of this Scheme and pursuant to and in accordance with Sections 230 to 232 of the Act, the Demerged Undertaking along with all its assets, liabilities, contracts, arrangements, employees, approvals, Permits, records, etc. shall, without any further act, instrument or deed, be demerged from Demerged Company and transferred to and be vested in or be deemed to have been vested in the Resulting Company as a going concern so as to become as and from the Appointed Date 1, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Resulting Company by virtue of, and in the manner provided in this Scheme.
- 4.2 In respect of such of the assets and properties forming part of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand transferred by the Demerged Company upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Resulting Company.
- 4.3 Subject to Clause 4.4 below, with respect to the assets of the Demerged Undertaking, other than those referred to in Clause 4.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether





or not the same is held in the name of the Demerged Company, shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date 1 by operation of law as transmission or as the case may be in favour of Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.

- 4.4 All immovable properties (including land together with the building and structures standing thereon) of the Demerged Undertaking, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Resulting Company, subject to Applicable Law, without any act or deed required by either the Demerged Company or the Resulting Company. Upon this Scheme becoming effective and with effect from the Appointed Date 1, the Resulting Company shall be entitled to exercise any and all rights and privileges and shall be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties (if any), shall be made and duly recorded by the Appropriate Authorities pursuant to the sanction of this Scheme in accordance with the terms hereof without any requirement of a further act or deed on part of the Resulting Company. The Resulting Company shall subsequent to the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard. Further, it is hereby provided that immovable properties of the Demerged Undertaking other than those situated in the state of Maharashtra may become property of the Resulting Company through a separate deed of conveyance or through any such manner as may be decided by the Board of Directors of the Resulting Company. However, the above manner of the transfer of immovable properties is for administrative exigency but for purpose of the Scheme it shall be treated as transferred pursuant to Scheme only.



- 4.5 The Demerged Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such persons, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes.
- 4.6 Upon the coming into effect of this Scheme, all debts, liabilities, loans and obligations incurred, duties or obligations of any kind, nature or description (including contingent liabilities) pertaining to the Demerged Undertaking, as on the Appointed Date 1 shall, without any further act or deed, stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same and further that it shall not be necessary to separately obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of any of the liabilities which have arisen in order to give effect to the provisions of this Clause. The liabilities relating to the Demerged Undertaking shall include:
- 4.6.1 the debts, liabilities obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;
  - 4.6.2 the specific loans or borrowings (including debentures bonds, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking); and
  - 4.6.3 in cases other than those referred to in Clauses 4.6.1 or 4.6.2 above and not directly relatable to the Demerged Undertaking, being the amounts of any general or multipurpose borrowings of the Demerged Company as stand in the same proportion which the value of assets, transferred under this Clause, of the Demerged Undertaking bears to the total value of the assets of the





Demerged Company immediately before the Appointed Date 1.

- 4.7 Where any of the liabilities relating to the Demerged Undertaking have been discharged by the Demerged Company after the Appointed Date 1 and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- 4.8 Upon the coming into effect of the Scheme, all debts, liabilities, loans and obligations incurred and duties and obligations undertaken pertaining to the Demerged Undertaking after the Appointed Date 1 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 Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act, or deed, stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.
- 4.9 Upon the coming into effect of this Scheme, the Resulting Company shall be liable to perform all obligations in respect of the liabilities relating to the Demerged Undertaking and debts, liabilities, loans and obligations incurred and duties and obligations undertaken pertaining to the Demerged Undertaking after the Appointed Date 1 and prior to the Effective Date, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such liabilities related to the Demerged Undertaking and debts, liabilities, loans and obligations incurred and duties and obligations undertaken pertaining to the Demerged Undertaking after the Appointed Date 1 and prior to the Effective Date.
- 4.10 The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertaking to the





extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking.

- 4.11 The Demerged Company shall in respect of any refunds, benefits, incentives, grants, subsidies in relation to or in connection with the Demerged Undertaking, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.12 Upon the coming into effect of this Scheme, all the credit for taxes including but not limited to tax deduction at source, tax collected at source, advance tax, tax demand paid under protest with the Demerged Company in relation to or in connection with the Demerged Undertaking shall be available and vest in the Resulting Company.
- 4.13 Upon the coming into effect of this Scheme, all unutilized input tax credit of central goods and service tax, integrated goods and service tax, state goods and service tax, union territory goods and service tax, goods and service tax compensation cess etc. lying unutilised with the Demerged Company in relation to or in connection with the Demerged Undertaking shall be available and vest in the Resulting Company.
- 4.14 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company, in the name of the Demerged Company for such time as may be mutually agreed between the Resulting Company and the Demerged Company. All



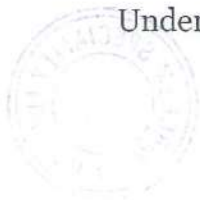
cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.

- 4.15 Any third party or Appropriate Authority required to give effect to any provisions of this Scheme, shall take on record the NCLT Orders sanctioning the Scheme on its file and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by the NCLT, and upon this Scheme becoming effective. For this purpose, the Resulting Company shall file certified copies of such NCLT Order and if required file appropriate applications or forms with relevant authorities concerned for statistical and information purposes only and there shall be no break in the validity and enforceability of Governmental approvals, Permits (including the licenses granted by any Appropriate Authority for the purpose of carrying on its business or in connection therewith), exemptions, registrations, no-objection certificates, quotas, rights, entitlements, and certificates of every kind and description of whatsoever nature.
- 4.16 Without prejudice to the provisions of the foregoing sub clauses of this Clause 4, and upon coming into effect of the Scheme, the Demerged Company and the Resulting Company shall be entitled to apply to the Appropriate Authorities as are necessary under any Applicable Law for such consents, approvals and sanctions which the Resulting Company may require and execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/ or modification(s) of charge, with the concerned Registrar of Companies or filing of necessary applications, notices, intimations or letters with any authority or person to give effect to the Scheme.





- 4.17 Upon coming into effect of this Scheme, to the extent that there are inter- company transactions or balances including loans and advances, receivables, payables and other dues outstanding in relation to the Demerged Undertaking between the Demerged Company and the Resulting Company, as on or from the Appointed Date 1, the obligations in respect thereof shall come to an end.
- 4.18 All registrations, licenses, trademarks, copyrights, domain names, applications for copyrights, trade-names and trademarks, etc. pertaining to the Demerged Company in relation to the Demerged Undertaking, if any, shall stand vested in the Resulting Company without any further act, instrument or deed, upon the sanction of the Scheme and upon this Scheme becoming effective.
- 4.19 The Resulting Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Demerged Company in relation to the Demerged Undertaking have been a party, including any filings with Appropriate Authorities, in order to give formal effect to the above provisions. The Resulting Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the Demerged Company solely in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company solely in relation to the Demerged Undertaking.
- 4.20 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant Permits in relation to the Demerged Undertaking; and (iii) continued vesting of the benefits, exemptions available to the Demerged Company in relation to the Demerged Undertaking in favour of the Resulting Company, the Board of Directors





of the Demerged Company and the Resulting Company or such persons as may be authorized by them shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order(s) and shall be considered as an integral part of this Scheme.

- 4.21 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue of any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

This part of the Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification to not affect or modify other parts of the Scheme including the accounting treatment specified in clause 12.

## **5. PERMITS**

- 5.1. With effect from the Appointed Date 1, Permits relating to the Demerged Undertaking shall be transferred to and vested in the Resulting Company and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the Resulting Company on such Permits so as to empower and facilitate the approval and vesting of the Demerged Undertaking in the Resulting Company and continuation of operations pertaining to the Demerged Undertaking in the Resulting Company without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting



Company without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Resulting Company.

- 5.2. The benefit of all Permits pertaining to the Demerged Undertaking shall without any other order to this effect, transfer and vest into and become available to the Resulting Company pursuant to the sanction of this Scheme.

## **6. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 6.1. Upon coming into effect of this Scheme and with effect from the Appointed Date 1 and subject to the provisions of this Scheme, all contracts, deeds, bonds, lease deeds, arrangements entered into with various persons, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking and to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect as on the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder, in all cases subject to the terms and provisions of such contracts, deeds, bonds, lease deeds, agreements, arrangements or instruments.
- 6.2. Without prejudice to the other provisions of this Scheme and notwithstanding that the demerger and subsequent vesting of the Demerged Undertaking from the Demerged Company to the Resulting Company occurs by virtue of this Scheme itself, the Resulting Company, may, at any time after the coming into effect of this Scheme in





accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds, confirmation or other writings or arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company solely in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed solely in relation to the Demerged Undertaking.

- 6.3. On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been given effect to under such contracts and transactions.
- 6.4. Even after this Scheme becomes effective, the Resulting Company shall, in its own rights, be entitled to realise all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking, in so far as may be necessary.
- 6.5. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason, whatsoever, the Demerged Company shall hold





such assets, contracts, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as the transfer is effected.

## **7. EMPLOYEES**

- 7.1. Upon coming into effect of this Scheme, with effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking on the Effective Date, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.
- 7.2. The existing funds or benefits, including provident fund and gratuity fund, created by the Demerged Company inter alia for the employees of the Demerged Undertaking (collectively referred to as the 'Funds') in terms of this Scheme shall be continued for the benefit of such employees on the same terms and conditions in the Resulting Company. With effect from the Effective Date, the Resulting Company shall make the necessary contribution for such employees taken over. Upon the Scheme being effective, the Resulting Company shall, to the extent pertaining to the Demerged Undertaking, stand substituted for the Demerged Company for all purposes whatsoever related to the administration or operation of such Fund or in relation to the obligations to make a contribution to the said Funds in accordance with the provisions of the Fund or according to the terms provided in the respective Fund deeds or other documents or, in the alternative, create / establish / setup / provide the facility of one or more alternative trusts



being not less favourable than the existing Fund in the Demerged Company of which such employees were members in the Demerged Company. The Resulting Company undertakes and assumes all the duties and obligations and takes over and assumes all the rights and powers of the Demerged Company upon the Scheme being effective, in relation to aforesaid Funds of the Demerged Company. The services of the employees of the Demerged Undertaking will be treated as having been continuous for the purposes of availing the benefits of the aforesaid funds or provisions of any Funds for such employees.

## **8. LEGAL PROCEEDINGS**

- 8.1. Upon the Scheme becoming effective, all legal proceedings, suits, claims, actions before any statutory or quasi-judicial authority or tribunal of whatsoever nature, pertaining to the Demerged Undertaking, by or against the Demerged Company arising after the Appointed Date 1, shall be continued and enforced by or against the Demerged Company only until the Effective Date. On and from the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the relevant matters pertaining to the Demerged Undertaking in the same manner and to the same extent as would or might have been initiated by the Demerged Company. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings against the Resulting Company. The Resulting Company shall be replaced / added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in co-operation with the Demerged Company.
- 8.2. The Resulting Company undertakes to have all legal proceedings initiated by or against the Demerged Company referred to in Sub-Clause 8.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both the Demerged Company and the Resulting





Company shall make relevant applications in that behalf. It is clarified that the Demerged Company shall in no event be responsible or liable in relation to any proceedings relating to the Demerged Undertaking that stand transferred to the Resulting Company.

- 8.3. If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatever nature by or against the Demerged Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger of the Demerged Undertaking or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if this Scheme had not been made.

## **9. SAVING OF CONCLUDED TRANSACTIONS**

- 9.1. The transfer and vesting of the properties, liabilities and obligations pertaining to the Demerged Undertaking pursuant to this Scheme shall not affect any transactions or proceedings already completed by the Demerged Company on or before the Appointed Date 1 to the end and intent that, the Resulting Company accepts all acts, deeds and things done and executed by and / or on behalf of the Demerged Company and pertaining to the Demerged Undertaking which shall vest in the Resulting Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

## **10. CONSIDERATION**

- 10.1. Upon coming into effect of this Scheme, and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Demerged Company and whose name is recorded in





the register of members and records of the depository as members of the Demerged Company, on the Record Date fully paid up equity shares of Resulting Company in the following manner (**“Share Entitlement Ratio”**) :

*“1 (One) fully paid up equity share of Rs. 10 (Rupees Ten) each of the Resulting Company for every 3 (Three) equity shares of Rs. 10 (Rupees Ten) of the Demerged Company.”*

- 10.2. The equity shares of the Resulting Company to be issued and allotted as per the Share Entitlement Ratio provided in Clause 10.1 above shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits.
- 10.3. In case any shareholder’s shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such shareholder but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated shares directly to a trustee nominated by the Board of Resulting Company in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of Demerged Company in proportion to their respective fractional entitlements.
- 10.4. The equity shares to be issued by the Resulting Company pursuant to Clause 10.1 shall be in dematerialized form.



- 10.5. The equity shares to be issued by the Resulting Company pursuant to Clause 10.1 above in respect of such equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of the dispute by order of a court or otherwise, also shall be kept in abeyance by the Resulting Company.
- 10.6. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of Directors or Stakeholders Relationship Committee, if any, of the Resulting Company shall be empowered to remove such difficulties that may arise in the course of implementation of the Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transition period.
- 10.7. The issue and allotment of the equity shares of the Resulting Company in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act have been complied with.
- 10.8. The equity shares of the Resulting Company issued pursuant to Clause 10.1 shall, in compliance with the applicable regulations, be listed and admitted to trading on the Stock Exchanges pursuant to this Scheme and the SEBI Circular. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and Applicable Laws and take all steps to procure the listing of the equity shares issued by it pursuant to Clause 10.1 above.





- 10.9. The equity shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the Stock Exchanges. There shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the date of listing of such equity shares, which may affect the status of the approval granted by the Stock Exchanges.
- 10.10. The Resulting Company shall and to the extent if required, increase its authorised share capital to facilitate issue of equity shares under this Scheme.
- 10.11. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company respectively, under Sections 230 to 232 of the Act to have the approval under Sections 13, 14 and other applicable provisions of the Companies Act, 2013 and all Applicable Laws.

## **11. REDUCTION OF SHARE CAPITAL OF RESULTING COMPANY**

- 11.1 Simultaneously, with the issue and allotment of the new equity shares by the Resulting Company to the shareholders of the Demerged Company in terms of Clause 10 of the Scheme, the equity shares issued by the Resulting Company to the Demerged Company ('Resulting Company Cancelled Shares') shall stand cancelled, without any further act, instrument or deed. Such cancellation of the share capital of the Resulting Company shall be effected as a part of the Scheme itself and not in accordance with Section 66 of the Act. The NCLT Order sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction and no separate sanction under Section 66 of the Act shall be necessary. The Resulting Company shall debit its share capital account in its books of account with the aggregate face value of Resulting Company Cancelled Shares and the capital reserve in the books of the Resulting Company shall be increased to the extent of the amount of Resulting Company Cancelled Shares.



## **12. ACCOUNTING TREATMENT**

### **12.1. Accounting treatment in the books of the Demerged Company:**

Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Demerged Company shall give effect to the demerger in its books of accounts as per the accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013, and as may be amended from time to time and on the date determined in accordance with Ind AS as under:

- 12.1.1. The Demerged Company shall upon the Scheme becoming effective, reduce the assets and liabilities pertaining to the Demerged Undertaking transferred to and vested in the Resulting Company pursuant to the Scheme at their respective book values;
- 12.1.2. Inter-company balances and transaction between the Demerged Undertaking of the Demerged Company and the Resulting Company, if any, including inter-company investments, will stand cancelled; and
- 12.1.3. The difference being the excess of the book value of assets over the book value of the liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to this Scheme after giving effect to Clause 12.1.2 above shall be adjusted to Other Equity of the Demerged Company.

### **12.2. Accounting treatment in the books of the Resulting Company**

Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Resulting Company shall give effect to the demerger in its books of accounts as per the accounting principles prescribed





under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013, and as may be amended from time to time and on the date determined in accordance with Ind AS as under:

- 12.2.1. Upon the coming into effect of this Scheme, the Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme at their respective carrying values, if any, as appearing in the books of the Demerged Company in accordance with IND AS;
- 12.2.2. The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the new equity shares issued by it to the members of the Demerged Company pursuant to this Scheme;
- 12.2.3. Inter-company balances and transaction between the Demerged Undertaking of the Demerged Company and the Resulting Company, if any, including inter-company investments, will stand cancelled; and
- 12.2.4. The difference, if any, between the assets and liabilities of the Demerged Undertaking as recorded by the Resulting Company after considering the effect of clause 12.2.2 and 12.2.3 above shall be adjusted as capital reserve in the books of the Resulting Company.

### **13. CONDUCT OF BUSINESS**

With effect from the Appointed Date 1 and up to and including the Effective Date:

- 13.1. The Demerged Company shall, in respect of the Demerged Undertaking, be deemed to have been carrying on and shall carry on its business and activities and shall hold and stand possessed of and hold all its properties and assets in relation to the Demerged Undertaking for and on account of and in trust for the Resulting Company. The Demerged



Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

- 13.2. All the profits or income accruing or arising to the Demerged Company in respect of the Demerged Undertaking, or expenditure or losses arising to or incurred by the Demerged Company in respect of the Demerged Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of the Resulting Company.
- 13.3. The Demerged Company shall carry on the business and activities with reasonable diligence and prudence and shall not without the prior written consent of the Board of Directors of the Resulting Company respectively, alienate, charge, mortgage, encumber or otherwise deal with or dispose-off, the Demerged Undertaking, except in the ordinary course of business. The Demerged Company shall not, without the prior written consent of the Resulting Company undertake any new businesses within the Demerged Undertaking except in the ordinary course of its business.
- 13.4. Where any of the liabilities and obligations attributed to the Demerged Undertaking, has been discharged by the Demerged Company, on or after the Appointed Date 1 but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resulting Company.
- 13.5. All loans raised and liabilities incurred by the Demerged Company after the Appointed Date 1 but before the Effective Date for operations of the Demerged Undertaking shall be discharged by the Resulting Company respectively on or after the Effective Date.
- 13.6. The Demerged Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with





past practice or pursuant to any pre-existing obligation, without the prior written consent of the Board of Directors of the Resulting Company.

- 13.7. The Resulting Company shall be entitled, pending the sanction of the Scheme by the jurisdictional NCLT(s), to apply to the central/state government and all other agencies, departments and authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to own and carry on the business of the Demerged Undertaking.



**PART C**  
**AMALGAMATION OF TRANSFEROR COMPANY WITH**  
**TRANSFeree COMPANY**

**14. TRANSFER OF ASSETS AND LIABILITIES**

- 14.1. Immediately on Part B of the Scheme being effective and with effect from the Appointed Date 2, and subject to the provisions of this Scheme and in accordance with and pursuant to Section 230 to 232 of the Act, the Transferor Company shall stand amalgamated with the Transferee Company as a going concern and all assets, investments (including shares held in subsidiaries i.e. Privi Biotechnologies Private Limited and Privi Organics USA Corp), liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, so as to become as and from the Appointed Date 2, the assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 14.2. In respect of such of the assets and properties of the Transferor Company that are movable in nature or are otherwise capable of being transferred by delivery or possession, or by endorsement and/ or delivery, the same shall stand transferred by the Transferor Company upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Transferee Company.
- 14.3. Subject to Clause 14.4 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 14.2 above, including all rights, title and interests in the agreements (including





agreements for lease or license of the properties) sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, whether or not the same is held in the name of the Transferor Company, shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, with effect from the Appointed Date 2 by operation of law as transmission, as the case may be, in favour of Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.

14.4. All immovable properties (including land together with the building and structures standing thereon) of the Transferor Company, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, subject to Applicable Law, without any act or deed. Upon this Scheme becoming effective and with effect from the Appointed Date 2, the Transferee Company shall be entitled to exercise any and all rights and privileges and shall be liable to pay ground rent, municipal taxes and fulfill all obligations, in relation to or applicable to such immovable properties (if any), shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme in accordance with the terms hereof without any requirement of a further act or deed on part of the Transferee Company. The Transferee Company shall subsequent to the Scheme becoming effective be entitled to the delivery and possession of all documents of title to such immovable property in this regard.

14.5. All debts, liabilities, duties and obligations of the Transferor Company shall, without any further act, instrument or deed be transferred to, and vested in, and/ or deemed to have been transferred to, and vested in, the Transferee Company, so as to become on and from the Appointed Date 2,



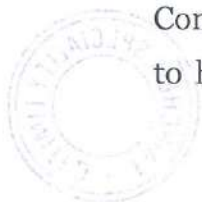
the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 14.

- 14.6. All the existing securities, mortgages, charges, encumbrances, if any, as on the Appointed Date 2 and those created by the Transferor Company after the Appointed Date 2, over the assets of the Transferor Company transferred to the Transferee Company shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Transferee Company.
- 14.7. Any existing securities, mortgages, charges, encumbrances, if any, over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties of the Transferee Company and shall not extend or attach to any of the assets and properties of the Transferor Company (except those assets and properties which are encumbered on account of loans taken by the Transferee Company by creating charge over the assets of the Transferor Company, if any) transferred to and vested in the Transferee Company by virtue of this Scheme.
- 14.8. Upon the coming into effect of this Scheme, all the credit for taxes including but not limited to tax deduction at source, tax collected at source, advance tax, minimum alternate tax, tax demand paid under protest with the Transferor Company shall be available and vest in the Transferee Company.





- 14.9. Upon the coming into effect of this Scheme, all unutilized input tax credit of central goods and service tax, integrated goods and service tax, state goods and service tax, union territory goods and service tax, goods and service tax compensation cess etc. lying unutilised with the Transferor Company shall be available and vest in the Transferee Company.
- 14.10. On and from the Effective Date and till such time that the name of the bank accounts of the Transferor Company has been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the Transferor Company in the name of the Transferor Company and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company.
- 14.11. Upon coming into effect of this Scheme, to the extent that there are inter-company transactions or balances including loans and advances, receivables, payables and other dues outstanding between Transferor Company and Transferee Company as on or from the Appointed Date 2, the obligations in respect thereof shall stand cancelled.
- 14.12. The Transferee Company shall, at any time after this Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Company have been a party, including any filings with Appropriate Authorities, in order to give formal effect to the above provisions. The Transferee Company shall for this purpose, under the provisions hereof, be deemed to have been authorized to execute any such writings on behalf of the



Transferor Company in relation to the Transferee Company and to carry out or perform all such formalities or compliances referred to above on Transferor Company.

- 14.13. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant Permits; and (iii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of Directors of the Transferor Company and the Transferee Company or any persons authorized by them shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the NCLT Order(s) and shall be considered as an integral part of this Scheme.
- 14.14. Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the above sub-clauses shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue of any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions.

The Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income-tax Act, 1961; such modification to not affect or modify other terms or provisions of the Scheme including the accounting treatment specified in clause 21.





## **15. PERMITS**

- 15.1. With effect from the Appointed Date 2, Permits relating the Transferor Company shall be transferred to and vested in the Transferee Company and the concerned licensor and grantors of such Permits shall endorse where necessary, and record the Transferee Company on such Permits so as to empower and facilitate the approval and vesting of the Transferor Company in the Transferee Company and continuation of operations of the Transferor Company in the Transferee Company without any hindrance, and shall stand transferred to and vested in and shall be deemed to be transferred to and vested in the Transferee Company without any further act or deed and shall be appropriately mutated by the Appropriate Authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favor of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company.
- 15.2. The benefit of all Permits pertaining to the Transferor Company shall without any other order to this effect, transfer and vest into and become available to the Transferee Company pursuant to the sanction of this Scheme.

## **16. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 16.1. Upon coming into effect of this Scheme and with effect from the Appointed Date 2 and subject to the provisions of this Scheme, all contracts, deeds, bonds, lease deeds, arrangements entered into with various persons, arrangements and other instruments of whatsoever nature by the Transferor Company and to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect as on the Effective Date, shall continue in full force and effect on or against



favor of, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder, in all cases subject to the terms and provisions of such contracts, deeds, bonds, lease deeds, agreements, arrangements or instruments.

- 16.2. Without prejudice to the other provisions of this Scheme and notwithstanding that the amalgamation and subsequent vesting of the Transferor Company to the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company, may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any Applicable Law or otherwise, execute deeds, confirmation or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 16.3. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company, in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been given effect to under such contracts and transactions.
- 16.4. Even after this Scheme becomes effective, the Transferee Company shall, in its own rights, be entitled to realise all monies and complete and





enforce all pending contracts and transactions of the Transferor Company, in so far as may be necessary.

- 16.5. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature which the Transferor Company owns or to which the Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason, whatsoever, the Transferor Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements, or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, in so far as it is permissible so to do, till such time as the transfer is effected.

## **17. EMPLOYEES**

- 17.1. Upon coming into effect of this Scheme, with effect from the Effective Date, the Transferee Company undertakes to engage, without any interruption in service, all employees of the Transferor Company, on the Effective Date, on the terms and conditions not less favourable than those on which they are engaged by the Transferor Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the amalgamation shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.
- 17.2. The existing funds or benefits, including provident fund and gratuity fund, created by the Transferor Company (collectively referred to as the 'Transferor Company Funds') in terms of this Scheme shall be continued for the benefit of such employees on the same terms and conditions in the Transferee Company. With effect from the Effective Date, the Transferee Company shall make the necessary contribution for such employees taken over. Upon the Scheme being effective, the Transferee



Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Transferor Company Fund or in relation to the obligations to make a contribution to the said Transferor Company Funds in accordance with the provisions of the Fund or according to the terms provided in the respective Transferor Company Fund deeds or other documents or, in the alternative, create / establish / setup / provide the facility of one or more alternative trusts being not less favourable than the existing Transferor Company Fund in the Transferor Company of which such employees were members in the Transferor Company. The Transferee Company undertakes and assumes all the duties and obligations and takes over and assumes all the rights and powers of the Transferor Company upon the Scheme being effective, in relation to aforesaid Transferor Company Funds of the Transferor Company. The services of the employees of the Transferor Company will be treated as having been continuous for the purposes of availing the benefits of the aforesaid funds or provisions of any Transferor Company Funds for such employees.

## **18. LEGAL PROCEEDINGS**

- 18.1. Upon the Scheme becoming effective, all legal proceedings, suits, claims, actions before any statutory or quasi-judicial authority or tribunal of whatsoever nature, by or against the Transferor Company arising after the Appointed Date 2, shall be continued and enforced by or against the Transferor Company only until the Effective Date. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in the same manner and to the same extent as would or might have been initiated by the Transferor Company. Except as otherwise provided herein, the Transferor Company shall in no event be responsible or liable in relation to any such legal or other proceedings against the Transferee Company. The Transferee Company shall be replaced / added as party to such proceedings and shall





prosecute or defend such proceedings at its own cost, in co-operation with the Transferor Company.

- 18.2. The Transferee Company undertakes to have all legal proceedings initiated by or against the Transferor Company referred to in Sub-Clause 18.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company. Both the Transferor Company and the Transferee Company shall make relevant applications in that behalf. It is clarified that except, as otherwise provided herein, the Transferor Company shall in no event be responsible or liable in relation to any proceedings that stand transferred to the Transferee Company.
- 18.3. If any suit, appeal or other proceedings, of whatever nature by or against the Transferor Company be pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation or by anything contained in this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

## **19. SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the properties, liabilities and obligations of the Transferor Company pursuant to this Scheme shall not affect any transactions or proceedings already completed by the Transferor Company on or before the Appointed Date 2 to the end and intent that, the Transferee Company accepts all acts, deeds and things done and executed by and / or on behalf of the Transferor Company which shall vest in the Transferee Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the Transferee Company.



## **20. CONSIDERATION**

- 20.1. The entire issued, subscribed and paid up capital of Transferor Company is held by the Transferee Company. Upon the Scheme becoming effective, the entire equity share capital of the Transferor Company held by the Transferee Company shall stand automatically cancelled and there will not be any issue and allotment of equity shares in the Transferee Company.

## **21. ACCOUNTING TREATMENT**

Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Transferee Company shall give effect to the amalgamation in its books of accounts as per the accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) notified under Section 133 of the Companies Act, 2013, and as may be amended from time to time and on the date determined in accordance with Ind AS as under:

- 21.1. All the assets, liabilities and reserves including debit balances, if any in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company in its books of accounts at their carrying amount as prescribed in IND - AS 103;
- 21.2. The investment in the equity share capital of Transferor Company as appearing in the books of accounts of Transferee Company on Effective Date, if any shall stand cancelled;
- 21.3. Inter Company balances and transactions between the Transferor Company and Transferee Company, if any will stand cancelled;
- 21.4. The difference, if any, being excess/deficit arising pursuant to the Scheme, after giving effect to the above adjustments, shall be adjusted as Capital Reserve in the books of the Transferee Company; and





21.5. In case of any differences in accounting policy between Transferor Company and Transferee Company, the accounting policies followed by Transferor Company will prevail and the difference shall be adjusted in Capital Reserves of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.

## **22. INCREASE IN AUTHORISED SHARE CAPITAL**

22.1. As an integral part of the Scheme, and upon the effectiveness of Part C of this Scheme, the authorised share capital of the Transferor Company shall stand transferred to and be amalgamated with the authorised share capital of the Transferee Company, and that the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company, without any liability for payment of any additional fees (including fees and charges to the Registrar of Companies) or stamp duty. Consequently, the authorised share capital of the Transferee Company shall be Rs. 55,01,00,000/- (Rupees Fifty Five Crores and One Lakh only) comprising of 5,00,10,000 (Five Crores and Ten Thousand) Equity shares of Rs. 10/- (Rupees Ten only) each, without any further act, instrument or deed and 50,00,000 (Fifty Lakhs) Preference Shares of Rs. 10/- (Rupees Ten only) each.

22.2. Clause V. of the Memorandum of Association of the Transferee Company shall, upon the effectiveness of Part C of this Scheme and without any further act or deed, be replaced by the following clause:

"V. The Authorised Share Capital of the Company is Rs. 55,01,00,000 (Rupees Fifty Five Crores One Lakh) divided into 5,00,10,000 (Five Crores Ten Thousand only) Equity Shares of Rs. 10/- (Rupees ten only) each and 50,00,000 (Fifty Lakhs only) Preference Shares of Rs.10/- with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach



thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for time being be provided by the Articles of Association of the Company.”

- 22.3. The consent of the shareholders of the Transferor Company and the Transferee Company to the Scheme shall be deemed to be sufficient for purposes of effecting the above and that no further action under section 13 or section 61 or any other applicable provisions of the Act, shall be separately required nor shall any additional fees (including fees and charges to the Registrar of Companies) or stamp duty be payable by the Transferee Company.

### **23. CONDUCT OF BUSINESS**

With effect from the Appointed Date 2 and up to and including the Effective Date:

- 23.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall hold and stand possessed of and hold all its properties and assets for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 23.2. All the profits or income accruing or arising to the Transferor Company, or expenditure or losses arising to or incurred by the Transferor Company shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of the Transferee Company.
- 23.3. The Transferor Company shall carry on the business and activities with reasonable diligence and prudence and shall not without the prior





written consent of the Board of Directors of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose-off any assets and liabilities of the Transferor Company, except in the ordinary course of business. The Transferor Company shall not, without the prior written consent of the Transferee Company undertake any new businesses except in the ordinary course of its business.

- 23.4. Where any of the liabilities and obligations of the Transferor Company, has been discharged by the Transferor Company, on or after the Appointed Date 2 but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.
- 23.5. All loans raised and liabilities incurred by the Transferor Company after the Appointed Date 2 but before the Effective Date shall be discharged by the Transferee Company respectively on or after the Effective Date.
- 23.6. The Transferor Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation, without the prior written consent of the Board of Directors of the Transferee Company.
- 23.7. The Transferee Company shall be entitled, pending the sanction of the Scheme by the jurisdictional NCLT(s), to apply to the central/state government and all other agencies, departments and authorities concerned as are necessary under any Applicable Law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on the business of the Transferor Company.

#### **24. DISSOLUTION OF TRANSFEROR COMPANY**

Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up without any further act or deed.







**PART D**  
**GENERAL TERMS & CONDITIONS**

**25. REMAINING BUSINESS OF THE DEMERGED COMPANY**

- 25.1. The Remaining Business and all the assets, liabilities and obligations relating or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by the Demerged Company.
- 25.2. All legal, tax and other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date 1 or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business) shall be continued and enforced solely by or against the Demerged Company only.
- 25.3. The Demerged Company shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.
- 25.4. All profit accruing to the Demerged Company or losses arising or incurred by it pertaining or relating to the Remaining Business shall, for all purposes, be treated as its profit, or losses, as the case may be.

**26. APPLICATIONS TO NCLT**

- 26.1. The Demerged Company, Resulting Company and the Transferor Company, shall, with all reasonable dispatch, simultaneously, make applications and/or petitions under Section 230 to 232 of the Act and other applicable provisions of the Act to the NCLT for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.



## **27. MODIFICATION OR AMENDMENTS TO THE SCHEME**

27.1. Subject to approval of the NCLT, the Board of Directors of the Demerged Company, Resulting Company and the Transferor Company, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme or to any conditions or limitations that the NCLT or Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Demerged Company, Resulting Company and the Transferor Company be and are hereby authorised to give such directions and to take all such steps as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties whether by reason of any direction or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of this Scheme and/or any matters concerning or connected therewith. No modification or amendment to the Scheme will be carried out or effected by the Board without approaching the NCLT.

## **28. CONDITIONALITY OF THE SCHEME**

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

- 28.1. The Demerged Company / Transferee Company having received observation letter/no-objection letter from the Stock Exchanges in respect of the Scheme, pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 28.2. The Scheme being approved by the requisite majorities of the classes of shareholders and creditors (where applicable) of the Demerged





Company, Resulting Company and the Transferor Company as may be directed by the jurisdictional NCLT(s).

- 28.3. The Scheme being sanctioned by the jurisdictional NCLT(s) under Sections 230 to 232 read with Section 66 of the Act and other applicable provisions of the Act.
- 28.4. Fulfilment/ waiver of any other conditions precedent agreed between the Demerged Company, Resulting Company and/or the Transferor Company and/or their respective shareholders, in writing.
- 28.5. Authenticated/ certified copies of the orders of the jurisdictional NCLT(s) sanctioning the Scheme being filed with the relevant Registrar of Companies by the Demerged Company, Resulting Company and the Transferor Company respectively.
- 28.6. The various parts of the Scheme shall be deemed to have taken effect in following sequence:
- 28.6.1. Firstly, Part B of the Scheme (relating to demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company) shall be deemed to have taken effect, prior to Part C of the Scheme; and
- 28.6.2. Thereafter, Part C of the Scheme (relating to amalgamation of Transferor Company into the Transferee Company) shall be deemed to have taken effect, after Part B of the Scheme.

**29. NAME OF THE TRANSFEREE COMPANY**

- 29.1. As an integral part of the Scheme, upon the effectiveness of the Scheme, the name of the Transferee Company shall stand amended to 'Privi Speciality Chemicals Limited' or such other name which is available and approved by the Registrar of Companies, by simply filing the requisite forms with Appropriate Authority, without any further act, instrument or deed on the part of the Transferee Company.



29.2. It is hereby clarified that for the purpose of change of name of the Transferee Company in accordance with clause 29.1 above, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under section 13, section 14 and any other applicable provisions of the Act, would be required to be separately passed nor shall any additional fees (including fees and charges to the Registrar of Companies) or stamp duty be payable by the Transferee Company.

### **30. EFFECT OF NON-RECEIPT OF APPROVALS**

30.1. The Board of Directors of the Demerged Company, Resulting Company and the Transferor Company shall be entitled to withdraw this Scheme prior to the Effective Date. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, neither the Demerged Company nor the Resulting Company nor the Transferor Company shall be entitled to withdraw the Scheme unilaterally without the prior written consent of the other companies.

### **31. COSTS, CHARGES AND EXPENSES**

31.1. All costs, charges, levies and expenses (including, but not limited to stamp duty etc.) in relation to or in connection with the Scheme and incidental to the completion of the Scheme and of carrying out the terms of this Scheme shall be borne by the Resulting Company and the Transferor Company in the ratio of 1:2 or as mutually agreed by the Board of Directors of the Demerged Company, Resulting Company and the Transferor Company.



FOR FAIRCHEM SPECIALTY LIMITED

  
RAJEN JHAVERI  
Chief Financial Officer & Company Secretary