

COMPOSITE SCHEME OF ARRANGEMENT
AMONGST
NATIONAL PEROXIDE LIMITED
AND
NAPEROL INVESTMENTS LIMITED
AND
NPL CHEMICALS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013

A. BACKGROUND OF THE COMPANIES

- (i) **National Peroxide Limited**, the “**Transferee Company**” or “**Demerged Company**” or “**Transferee/ Demerged Company**”, is a public company incorporated under the provisions of the Companies Act, 1913. The Transferee/ Demerged Company is engaged in (i) manufacturing, distribution and dealing of peroxygen chemicals; and (ii) making long term investments and corporate lending directly and/or through its wholly owned subsidiary viz., the Transferor Company (*as defined hereinafter*). The equity shares of the Transferee/ Demerged Company are listed on BSE Limited.
- (ii) **NPL Chemicals Limited**, the “**Resulting Company**”, is a public company incorporated under the provisions of the Companies Act, 2013. The Resulting Company is incorporated to carry on the business of manufacturing, distributing and selling of peroxygen chemicals. The Resulting Company is a wholly owned subsidiary of the Demerged Company.
- (iii) **Naperol Investments Limited**, the “**Transferor Company**”, is a public company incorporated under the provisions of the Companies Act, 1956. The Transferor Company is registered with the Reserve Bank of India as a Non-Banking Financial Company as provided under section 45 – IA of the Reserve Bank of India Act, 1934. The Transferor Company is engaged in the business of long term investment and corporate lending. The Transferor Company is a wholly owned subsidiary of the Transferee Company.

B. RATIONALE FOR THIS SCHEME

- (i) The Transferee/ Demerged Company is engaged in business of manufacturing of and dealing in peroxygen chemicals and is one of the largest manufacturer of hydrogen peroxide in India, with an installed capacity of 150 KTPA on 50% w/w basis. The Transferee/ Demerged Company also owns certain strategic investments and is also engaged in the business of making long term investments and corporate lending directly and also through its wholly owned subsidiary viz., the Transferor Company.
- (ii) The nature and competition involved in each of the aforementioned businesses is distinct and it is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.
- (iii) Further for growth and expansion of the said chemical business and the investment and corporate lending business, differentiated strategy is required to be aligned to the industry specific risks, market dynamics and growth trajectory.
- (iv) With a view to reorganise the businesses of the Transferee/ Demerged Company, it is proposed to bring the said chemical business of the Demerged/ Transferee Company under the aegis of the Resulting Company and amalgamate the Transferor Company, engaged in the business of long term investment and corporate lending, with the Transferee Company. This, *inter alia*, result in the following benefits:
 - (a) unlocking the value of each of the businesses for the shareholders of the Transferee/ Demerged Company, attracting investors and providing better flexibility in accessing capital;

- (b) segregating different businesses having different risk and return profiles, and providing investors with better flexibility to select investments which best suit their investment strategies and risk profile; and
- (c) enabling focused growth strategy for each of the businesses for exploiting opportunities specific to each business.

The Scheme (*as defined hereinafter*) is in the best interests of the shareholders, employees and the creditors of each of the Parties (*as defined hereinafter*).

C. OVERVIEW AND OPERATION OF THIS SCHEME

This Scheme provides for:

- (i) the demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company into the Resulting Company on a *going concern* basis, and the consequent issue of shares by the Resulting Company in the manner set out in this Scheme;
- (ii) the amalgamation of the Transferor Company with the Transferee Company in the manner set out in this Scheme; and
- (iii) the reduction of the share capital of the Resulting Company in the manner set out in this Scheme.

D. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

- (i) **PART I** deals with the definitions, share capital and date of taking effect and implementation of this Scheme;
- (ii) **PART II** deals with the transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company into the Resulting Company and the consideration thereof;
- (iii) **PART III** deals with the amalgamation of the Transferor Company with the Transferee Company;
- (iv) **PART IV** deals with the reduction and cancellation of the existing equity share capital of the Resulting Company held by the Demerged Company; and
- (v) **PART V** deals with the general terms and conditions that would be applicable to this Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

1.1 In this Scheme, unless inconsistent with the subject or context thereof (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) all terms and words not defined in this Scheme shall have the meaning ascribed to them under the relevant Applicable Law (as defined hereinafter); and (iii) the following expressions shall have the meanings ascribed hereunder:

“Act” means the Companies Act, 2013;

“Appointed Date” means opening of business hours of 1 October 2020;

“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 Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

“Appropriate Authority” means:

- (a) 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;
- (b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities; and
- (c) 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 including (without limitation), BSE Limited, SEBI (*as defined hereinafter*), RBI (*as defined hereinafter*), the Tribunal (*as defined hereinafter*).

“Board” in relation to each of the Parties, means the board of directors of such company, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto;

“Chemical Business” means the entire business of the Demerged Company of manufacturing, distributing and selling of peroxygen chemicals;

“Demerged Undertaking” shall mean all of the Chemical Business and shall include (without limitation):

- (a) all assets and properties, including all movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, and associated capital costs, security deposits, capital work in progress, easementary rights, rights of way, plant and machinery, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits, provisions, advances, recoverables, receivables, accumulated losses as well as unabsorbed depreciation as per books as well as per Income Tax Act, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds of the Demerged Company pertaining to the Chemical Business, all import quotas and other quota rights, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Demerged Company pertaining to the Chemical Business;
- (b) all debts (including debentures), cash flow hedge reserves, liabilities, whether fixed or contingent, matured or unmatured, including indebtedness, employee related, pension, tax and environmental liabilities, of the Demerged Company pertaining to the Chemical Business (more specifically defined in Clause 4.6);
- (c) all contracts, agreements, schemes, arrangements and any other instruments for the purpose of carrying of the Demerged Company pertaining to the Chemical Business;
- (d) all refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, income tax deducted/ collected at source, goods and service tax credit, minimum alternate tax credit, deductions and benefits under the relevant Law or any other taxation statute with respect to the Chemical Business;
- (e) all Permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, pertaining to the Chemical Business;
- (f) all intellectual property and intellectual property rights (including any applications for the same) of any nature whatsoever, all books, records, files, papers, engineering and process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or pertaining to Chemical Business; and
- (g) all employees (including graduate trainees) and contract workers employed exclusively in the conduct of the Chemical Business.

It is clarified that the question of whether a specified asset or liability pertains to the Demerged Undertaking or arises out of the activities or operations of Demerged Undertaking shall be decided by the Board of the Demerged Company.

“Demerged Company” or **“Transferee Company”** means National Peroxide Limited, a public company incorporated under the provisions of the Indian Companies Act, 1913 and having its corporate identification number L24299MH1954PLC009254 and registered office at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001;

“Effective Date” means the day on which the last of the approvals/ conditions specified in Clause 31 (Conditions Precedent) of this Scheme are obtained or complied with. Reference in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** shall mean the Effective Date;

“Encumbrance” means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **“Encumber”** shall be construed accordingly;

“INR” means Indian Rupee, the lawful currency of the Republic of India;

“Income Tax Act” means the Income-tax act, 1961 as may be amended or supplemented from time to time and shall include any statutory replacement or re-enactment thereof, read together with all applicable by-laws, rules, regulations, orders, ordinances, policies, directions, supplements issued thereunder;

“Parties” shall mean collectively the, Transferor Company, the Transferee/ Demerged Company and the Resulting Company and **“Party”** shall mean each of them, individually;

“Permits” means all consents, licences, permits, certificates, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory or otherwise as required under Applicable Law;

“Person” means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

“RBI” means the Reserve Bank of India;

“Record Date” means the date to be fixed by the Board of the Transferee/ Demerged Company in consultation with the Resulting Company for the purpose of determining the shareholders of the Transferee/ Demerged Company for issue of the equity shares, pursuant to Part II of this Scheme;

“Remaining Business” means all of the businesses, units, divisions, undertakings, and assets and liabilities of the Demerged Company, including the business of making long term investments and corporate lending directly and also through its wholly owned subsidiary

viz., the Transferor Company, other than the Demerged Undertaking;

“Resulting Company” means NPL Chemicals Limited, a public company incorporated under the provisions of the Companies Act, 2013 and having its corporate identity number U24290MH2020PLC342890 and registered office at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001;

"RoC" means the Registrar of Companies having jurisdiction over the Parties;

“Scheme” means this composite scheme of arrangement, with or without any modification(s);

“SEBI” means the Securities and Exchange Board of India;

“SEBI Circular” shall mean the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, and any amendments thereof, modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;

“Taxation” or **“Tax”** or **“Taxes”** includes all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions, taxes under the Income Tax Act and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction or collection at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Transferor Company, the Transferee/ Demerged Company, the Resulting Company or any other Person and all penalties, charges, costs and interest relating thereto;

“Tax Laws” means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax / value added tax, service tax, goods and services tax, excise duty, customs duty or any other levy of similar nature;

“Transferor Company” means Naperol Investments Limited, a public company incorporated under the provisions of the Companies Act, 1956, having its corporate identification number U65990MH1980PLC022589 and registered office at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001; and

"Tribunal" means the relevant bench of the National Company Law Tribunal having jurisdiction over the Parties.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and *vice versa*;

1.2.2 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same; and

1.2.3 the words “include” and “including” are to be construed without limitation.

2. SHARE CAPITAL

2.1 The share capital of the Transferee/ Demerged Company as on 1 August 2020 is as follows:

Particulars	INR
Authorised Share Capital	
2,50,00,000 equity shares of INR 10 each	25,00,00,000
Total	25,00,00,000
Issued, Subscribed and Paid Up Capital	
57,47,000 equity shares of INR 10 each, fully paid	5,74,70,000
Total	5,74,70,000

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Demerged Company/ Transferee Company till the date of approval of the Scheme by the Board of the Demerged Company/ Transferee Company.

The equity shares of the Demerged Company/ Transferee Company are listed on BSE Limited.

2.2 The share capital of the Resulting Company as on 1 October 2020 is as follows:

Particulars	INR
Authorised Share Capital	
10,000 equity shares of INR 10 each	100,000
Total	100,000
Issued, Subscribed and Paid-up Capital	
10,000 equity shares of INR 10 each	100,000
Total	100,000

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Resulting Company till the date of approval of the Scheme by the Board of the Resulting Company.

2.3 The share capital of the Transferor Company as on 1 October 2020 is as follows:

Particulars	INR
Authorised Share Capital	
49,982 equity shares of INR 100 each	49,98,200
18, 11% Non-Cumulative Redeemable Preference shares of INR 100 each	1,800
Total	50,00,000

Particulars	INR
Issued, Subscribed and Paid-up Capital	
25,500 equity shares of INR 100 each, fully paid	25,50,000
Total	25,50,000

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of the Transferor Company till the date of approval of the Scheme by the Board of the Transferor Company.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

- 3.1 This Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 30 of this Scheme duly approved or imposed or directed by the Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART II

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 4.1 Upon this Scheme becoming effective and with effect from the Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Act and Section 2(19AA) of the Income Tax Act, the Demerged Undertaking along with all its assets, liabilities, contracts, arrangements, employees, Permits, licences, records, approvals, 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 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, on and from the Appointed Date.
- 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), investments in shares, mutual funds, bonds and any other securities, 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 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 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to and be vested in the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company.
- 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 effectiveness of Part II of the Scheme, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relating to the Demerged Undertaking ("**Transferred Chemical Business Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date and the Resulting Company shall meet, discharge and satisfy the same. The term "**Transferred Chemical Business Liabilities**" 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, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

However, the tax liabilities and tax demands or refunds received or to be received by the Demerged Company for a period prior to the Appointed Date in relation to the Demerged Company shall not be transferred as part of the Demerged Undertaking to the Resulting Company.

- 4.7 In so far as any Encumbrance in respect of Transferred Chemical Business Liabilities is concerned, such Encumbrance shall, without any further act, instrument or deed being required to be modified and, if so agreed, shall be extended to and shall operate over the assets of the Resulting Company. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance, if any, over such assets relating to the Transferred Chemical Business Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets

comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.

- 4.8 Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to Demerged Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.
- 4.9 If the Demerged Company is entitled to any unutilized credits (including unutilised credits and unabsorbed depreciation, minimum alternate tax credit), balances or advances, benefits under the incentive schemes and policies including tax holiday or concessions relating to the Demerged Undertaking under any Tax Laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission.
- 4.10 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company.
- 4.11 Subject to Clause 4 and any other provisions of the Scheme, any refunds, benefits, incentives, grants, subsidies in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, 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 Tribunal 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 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 determined to be necessary by the Resulting 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.
- 4.13 Without prejudice to the provisions of the foregoing sub clauses of this Clause 4, the Demerged Company and the Resulting Company shall be entitled to apply to the Appropriate Authorities as are necessary under any 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 RoC or filing of necessary applications, notices, intimations or letters with any authority or Person to give effect to the Scheme.

5. PERMITS

- 5.1 With effect from the Appointed Date, 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

- 6.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments in relation to the Demerged Undertaking, to which the Demerged Company is a party and which is subsisting or having effect on or immediately before the Appointed Date shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party or beneficiary or obligee thereto. The Resulting Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above and, if required, cause such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above to be formally taken on record/ recognised by the Appropriate Authorities.
- 6.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, 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, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. With effect from the Effective Date, the Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company.

- 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.

7. EMPLOYEES

- 7.1 On Part II of the Scheme becoming effective, all employees of the Demerged Company in service on the Effective Date, engaged in or in relation to the Demerged Undertaking, shall be deemed to have become employees of the Resulting Company, without any interruption in service, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. 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 retiral/ terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking, be decided by the Demerged Company, and shall be final and binding on all concerned.
- 7.2 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred respectively to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, by the Resulting Company.

8. LEGAL PROCEEDINGS

- 8.1 Upon coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (except proceedings with respect to Income Tax Act) by or against the Demerged Company pending and/or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Resulting Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall consequently stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.

- 8.2 The Resulting Company undertakes to have all legal and other proceedings (except proceedings with respect to Income Tax Act) initiated by or against the Demerged Company referred to in Clause 8.1 above transferred to its name as soon as is reasonably practicable 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 on priority. Both the concerned Parties shall make relevant applications and take all steps as may be required in this regard. It is clarified that all income tax proceedings in relation to the Demerged Undertaking for a period prior to the Appointed Date shall be enforced against the Demerged Company and pertaining to the period after the Appointed Date shall be enforced against the Resulting Company.
- 8.3 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings with respect to Income Tax Act), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 8.4 This Scheme complies with the definition of “demerger” as per Sections 2(19AA), 2(19AAA), 47, 72A and other provisions of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in accordance with aforesaid provisions of the Income Tax Act. However, it is clarified here that this shall not have any impact on the accounting treatment prescribed in the scheme.

9. CONSIDERATION

- 9.1 Upon Part II of the Scheme coming into effect and in consideration of and subject 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 whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date, as under:

1 (One) fully paid up equity share of INR 10/- (Indian Rupees ten) each of the Resulting Company (“**Resulting Company New Equity Shares**”), credited as fully paid up, for every 1 (One) equity share of INR 10/- (Indian Rupees ten) each of the Demerged Company.

It is hereby clarified that no shares shall be issued by the Resulting Company in respect of the shares held by the Demerged Company in the Resulting Company.

- 9.2 The Resulting Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company, as the case may be, after the Effective Date including with respect to dividend,

bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company.

- 9.3 The issue and allotment of Resulting Company New Equity Shares, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Resulting Company New Equity Shares.
- 9.4 The Resulting Company New Equity Shares shall be in dematerialized form unless otherwise notified in writing by a shareholder of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Demerged Company. In the event that such notice has not been received by Resulting Company in respect of any of the shareholders of Demerged Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that Resulting Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue the equity shares in physical form to such shareholder or shareholders.
- 9.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.
- 9.6 The Resulting Company New Equity Shares to be issued pursuant to this Scheme in respect of any 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 dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 9.7 The equity shares to be issued by the Resulting Company *in lieu* of the shares of the Demerged Company held in the unclaimed suspense account shall be issued to a new unclaimed suspense account created for shareholders of the Resulting Company.
- 9.8 In the event, the Parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio, per Clause 9.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.
- 9.9 The Resulting Company shall apply for listing of Resulting Company New Equity Shares on BSE Limited in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The Resulting Company New Equity Shares, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the

designated BSE Limited. Further, there shall be no change in the shareholding pattern of Resulting Company between the Record Date and the listing of its equity shares which may affect the status of approval of BSE Limited.

- 9.10 The Resulting Company shall, to the extent required, increase its authorized share capital in order to issue Resulting Company New Equity Shares, as per with the applicable provisions of the Act, prior to allotment of Resulting Company New Equity Shares.
- 9.11 The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of BSE Limited.

10. ACCOUNTING TREATMENT BY THE DEMERGED COMPANY AND THE RESULTING COMPANY IN RESPECT OF THEIR RESPECTIVE BOOKS OF ACCOUNTS

The Demerged Company and Resulting Company shall account for the Scheme in their respective books/ financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below:

10.1 Accounting treatment in the books of the Demerged Company:

- 10.1.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall derecognise assets and liabilities (including cash flow hedge reserves) pertaining to the Chemical Business Undertaking of the Demerged Company with corresponding debit to reserves from its books of accounts; and
- 10.1.2 Investments in the equity share capital of the Resulting Company as on the Appointed Date will stand cancelled and be debited to reserves.

10.2 Accounting treatment in the books of the Resulting Company:

Upon the Scheme becoming effective and with effect from the Appointed Date, Resulting Company shall account for the transfer of Chemical Business Undertaking in its books in accordance with applicable accounting principles as prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The accounting treatment is explained below:

- 10.2.1 The Resulting Company shall record the assets and liabilities (including cash flow hedge reserves) pertaining to the Chemical Business Undertaking, transferred to and vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Demerged Company;
- 10.2.2 The Resulting Company shall credit to its Share Capital in its books of account, the aggregate face value of the equity shares issued by it to the members of the Demerged Company pursuant to this Scheme;
- 10.2.3 The pre-demerger shareholding of the Demerged Company in the Resulting Company shall be cancelled and the amount of such share capital, as stands cancelled, be credited to Capital Reserve;

- 10.2.4 The difference between the Net Assets transferred from the Demerged Company pursuant to Clause 10.2.1 and aggregate of share capital issued pursuant to Clause 10.2.2 shall be credited to Capital Reserve.

For the purpose of this Clause, Net Assets would mean difference between the book value of assets and liabilities (including cash flow hedge reserves) as on the Appointed Date.

PART III

AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY

11. TRANSFER OF ASSETS AND LIABILITIES

- 11.1 Upon Part III of this Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to Section 232 of the Act and Section 2(1B) of the Income Tax Act, the Transferor Company shall stand amalgamated with the Transferee Company as a *going concern* and all assets and liabilities 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, the assets and liabilities of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 11.2 Without prejudice to the generality of the above and to the extent applicable, with respect to the assets of the Transferor Company that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/ or delivery, the same may be so transferred by the Transferor Company by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date.
- 11.3 Subject to Clause 11.4 below, with respect to the assets of the Transferor Company, other than those referred to in Clause 11.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, 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, by operation of law as transmission or as the case may be in favour of Transferee Company.
- 11.4 In respect of such of the assets and properties of the Transferor Company which are immovable in nature, whether or not included in the books of the Transferor Company, including rights, interest and easements in relation thereto, the same shall stand transferred to and be vested in the Transferee Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Transferor Company and/or the Transferee Company.
- 11.5 All the brands, trademarks of the Transferor Company including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights trademarks and all such other industrial

and intellectual property rights of whatsoever nature shall stand transferred to the Transferee Company by operation of law. The Transferee Company shall take such actions as may be necessary and permissible to get the same transferred and/ or registered in the name of the Transferee Company.

- 11.6 All debts, liabilities, duties and obligations (debentures, bonds, notes or other debt securities) 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, 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 11.
- 11.7 Unless otherwise agreed to between the concerned Parties, the vesting of all the assets of the Transferor Company, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets of Transferor Company or part thereof on or over which they are subsisting on and vesting of such assets in Transferee Company and no such Encumbrances shall extend over or apply to any other asset(s) of Transferee Company. Any reference in any security documents or arrangements (to which Transferor Company is a party) related to any assets of Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Transferee Company. Similarly, Transferee Company shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of /to be availed of by it, and the Encumbrances in respect of such indebtedness of Transferor Company shall not extend or be deemed to extend or apply to the assets so vested.
- 11.8 Taxes, if any, paid or payable by the Transferor Company after the Appointed Date shall be treated as paid or payable by the Transferee Company and the Transferee Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.
- 11.9 If the Transferor Company is entitled to any unutilized credits (including minimum alternate tax credit), benefits under the state or central fiscal / investment incentive schemes and policies or concessions under any Tax law or Applicable Law, the Transferee Company shall be entitled, as an integral part of the Scheme, to claim such benefit or incentives or unutilised credits as the case may be without any specific approval or permission. Without prejudice to the generality of the foregoing, in respect of unutilized input credits of goods and service tax of the Transferor Company, the same shall be transferred to the Transferee Company in accordance with the Applicable Law.
- 11.10 Upon Part III of the Scheme becoming effective, the Transferor Company and / or the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/ or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Transferee Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it to the extent not claimed by the Transferor Company.

- 11.11 It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies, etc., the Transferor Company, shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme under Sections 230 to 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 11.12 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.
- 11.13 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 11, the Transferor Company and the Transferee Company may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to Part III of this Scheme.

12. PERMITS

With effect from the Appointed Date, all the Permits held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of Section 232 of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Effective Date, the Permits, estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Laws. Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/ or perfected, in the record of the Appropriate Authority, in favour of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and/ or permit and/ or approval, as the case may be, and the Transferee Company shall keep a record and/ or account of such transactions.

13. CONTRACTS

- 13.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature, subsisting or having effect on or immediately before the Appointed Date, to which the Transferor Company is a party shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into novation agreement(s) in relation to such

contracts, deeds, bonds, agreements, arrangements and other instruments as stated above. Any *inter-se* contracts between the Transferor Company on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the effectiveness of Part III of this Scheme.

- 13.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the assets and liabilities of the Transferor Company occurs by virtue of this Scheme, the Transferee Company may, at any time after Part III of the Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- 13.3 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to complete and 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 Transferor 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 has been given effect to under such contracts and transactions.

14. EMPLOYEES

- 14.1 Upon Part III of the Scheme becoming effective, all employees of the Transferor Company in service on the Effective Date, shall be deemed to have become employees of the Transferee Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, validly entered into by the Transferor Company with any union/employee of the Transferor Company recognized by the Transferor Company. It is hereby clarified that the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which the employees of the Transferor Company are members shall be transferred to such provident fund, gratuity fund and superannuation fund of the Transferee Company or to be established and caused to be recognized by the appropriate authorities, by the Transferee Company.
- 14.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees of the Transferor Company would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company.
- 14.3 Upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved and no further act or deed shall be required to this effect. It is further clarified that the services of the employees of the Transferor Company will be treated as having been continuous, uninterrupted and taken into account for the purpose of the said fund or funds.

14.4 Without prejudice to the aforesaid, the Board of the Transferee Company, if it deems fit and subject to applicable laws, shall be entitled to retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company.

15. LEGAL PROCEEDINGS

15.1 If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called the "**Proceedings of the Transferor Company**") by or against the Transferor Company pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in this Scheme, but the Proceedings of the Transferor Company 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. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

15.2 From the Appointed Date and until the Effective Date, the Transferor Company shall defend all legal proceedings, other than in the ordinary course of business, with the advice and instructions of the Transferee Company.

16. COMBINATION OF AUTHORISED CAPITAL

16.1 Upon Part III of the Scheme becoming effective, the authorised equity share capital of the Transferee Company shall stand increased without any further act, instrument or deed on the part of Transferee Company including payment of stamp duty and fees to RoC, by the authorised share capital of the Transferor Company amounting to INR 50,00,000 (Rupees Fifty Lakh Only) and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorized capital of the Transferor Company shall be utilized and applied to the increased authorized equity share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorised equity share capital to that extent.

16.2 Consequentially, Clause V of the memorandum of association of the Transferee Company shall without any act, instrument or deed be and stand altered, reclassified, modified and amended, as under as per Clause 16.1 above, pursuant to Sections 13, 14, 61, 64, and other applicable provisions of the Act:

Particulars	INR
Authorised Share Capital	
2,55,00,000 equity shares of INR 10 each	25,50,00,000
Total	25,50,00,000

16.3 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/ approval also to the reclassification/ alteration of the memorandum of association of the Transferee Company as may be required under the Act.

17. CONSIDERATION

- 17.1 The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore there shall be no issue of shares by the Transferee Company as consideration for the amalgamation of the Transferor Company with the Transferee Company.
- 17.2 Upon Part III of this Scheme becoming effective, all shares of the Transferor Company held by the Transferee Company (held either directly or through its nominees) shall stand cancelled without any further application, act or deed.

18. ACCOUNTING TREATMENT BY THE TRANSFEEE COMPANY IN ITS BOOKS OF ACCOUNTS

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of accounts in accordance with applicable accounting principles as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as notified under Section 133 of the Companies Act, 2013, as may be amended from time to time and on the date as determined under Ind AS. Accordingly, the difference between the fair value of financial assets (net) and the carrying value of investment in Transferor Company shall be recognised in profit or loss.

19. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon the coming into effect of Part III of this Scheme, the resolutions/ power of attorneys executed by the Transferor Company, as are considered necessary by the Board of the Transferor Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then such limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the new aggregate limits for each of the subject matters covered under such resolutions/power of attorneys for the purpose of Transferee Company.

20. DISSOLUTION OF TRANSFEROR COMPANY

On Part III of this Scheme becoming effective, the Transferor Company shall stand dissolved without winding up. On and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the concerned RoC. On and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the concerned RoC.

PART IV

REDUCTION AND CANCELLATION OF THE EXISTING EQUITY SHARE CAPITAL OF THE RESULTING COMPANY HELD BY THE DEMERGED COMPANY

21. REDUCTION AND CANCELLATION OF EXISTING EQUITY SHARES OF THE RESULTING COMPANY

- 21.1 With effect from the Effective Date and upon allotment of Resulting Company New Equity Shares by the Resulting Company, the entire paid up equity share capital, as on Effective Date, of the Resulting Company (“**Resulting Company Cancelled Shares**”) shall stand cancelled, extinguished and annulled on and from the Effective Date and the paid up equity capital of the Resulting Company to that effect shall stand cancelled and reduced.
- 21.2 The reduction of the share capital of the Resulting Company under Sections 230 to 232 of the Act shall be effected as an integral part of this Scheme itself.
- 21.3 On effecting the reduction of the share capital as stated in Clause 21.1 above, the share certificates in respect of the Resulting Company Cancelled Shares held by their respective holders shall also be deemed to have been cancelled.
- 21.4 On the Effective Date, the Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company Cancelled Shares.
- 21.5 The capital reserve in the books of the Resulting Company shall be increased to the extent of the amount of the Resulting Company Cancelled Shares.
- 21.6 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add “And Reduced” as suffix to its name.

PART V

GENERAL TERMS & CONDITIONS

22. CHANGE OF NAME OF THE RESULTING COMPANY AND THE TRANSFEREE COMPANY

- 22.1 Upon this Scheme becoming effective, the name of the Resulting Company shall stand changed to “National Peroxide Limited” or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority and no separate act, procedure, instrument, or deed and registration fees shall be required to be followed under the Act.
- 22.2 Consequently, subject to Clause 22.1 above:
- 22.2.1 Clause I of the memorandum of association of the Resulting Company shall without any act, procedure, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 232 and other applicable provisions of the Act, and be replaced by the following clause:

“The name of the Company is National Peroxide Limited”

22.3 Upon this Scheme becoming effective, the name of the Transferee Company shall stand changed to “Naperol Investments Limited” or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority and no separate act, procedure, instrument, or deed and registration fees shall be required to be followed under the Act.

22.4 Consequently, subject to Clause 22.3 above:

22.4.1 Clause I of the memorandum of association of the Transferee Company shall without any act, procedure, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 232 and other applicable provisions of the Act, and be replaced by the following clause:

“The name of the Company is Naperol Investments Limited”

22.5 It is hereby clarified that, for the purposes of acts and events as mentioned in Clause 22.1 to 22.4, the consent of the respective shareholders of the Resulting Company and the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed, nor any additional fees (including fees and charges to the relevant RoC) or stamp duty, shall be payable by the Resulting Company and/ or the Transferee Company.

23. CHANGE IN CHARTER DOCUMENTS OF THE TRANSFEREE COMPANY

23.1 With effect from the Appointed Date, the main object clause of the Memorandum of Association of the Transferee Company shall be deemed to be altered and amended, without any further act or deed, to include the objects as required for carrying on the business activities of the Transferor Company pursuant to the applicable provisions of the Act. Accordingly, the Memorandum of Association of the Transferee Company shall be altered and amended and necessary revisions in numbering of the clauses inserted shall be carried out.

23.1.1 The following clauses shall substitute the main object clause of the Memorandum of Association of the Transferee Company. The revised main object clause of the Transferee Company shall read as under:

- “1. To carry on the business of borrowing/lending money by way of pledge, mortgage, hypothecation, charge or otherwise with or without any securities to any person, individual, body-corporate, firm, organization, authority but the company shall not carry on banking business within the meaning of Banking Regulations Act, 1949.*
- 2. To solicit and procure insurance business as Corporate Agent and to undertake such other activities as are incidental or ancillary thereto.*
- 3. To carry on the activities as investment company and to buy, sell, trade, invest, deal or to do broking in shares, stocks, debentures, bonds, derivatives, commodities, obligations, bills, securities, movable and immovable property and other investments.”*

The following clause(s) shall be added under Clause IV - Ancillary object clause(s) of the Transferee Company under the Memorandum of Association:

- “i. To constitute, set up, establish and manage any trust/undertakings for venture capital and to subscribe, act, undertake, manage, execute, exercise all Powers of Trustee, executors, administrators, receivers, attorneys, nominees, representatives and agents and to manage funds of all kinds of trusts and to aid, counsel, assist, finance, protect, promote, and render periodic advice on investment, finance, taxation and to channelise, apply or invest funds from time to time in various forms of investments including shares, debentures, loans, convertibles or otherwise, any other type of instruments and to undertake and execute agencies and trusts of all kinds and to exercise all powers of custody and trust corporation anywhere in India or any part of the world.*
- ii. To establish with the object of financing industrial enterprises, ventures in India or any part of the world by lending or granting by way of loans, advances, grants, deposits, hire purchases, leasing finance or any other form with or without interest and / or without security or participation in the capital of industrial enterprises.*
- iii. To issue, implement, undertake, offer, distribute, or otherwise promote and operate the payment systems issuing pre-paid payment instruments to individuals/organizations including but not limited to issue a pre-paid cash wallet, mobile phone based pre-paid payment instruments, prepaid card and/or cash card to consumers, subject to requisite regulatory approvals.*
- iv. To carry on the business of manpower recruitment and placement, human resource consultancy and training of personnel for the purposes of the main objects of the company.*
- v. To do all other forms of business which Government of India or Reserve Bank of India may specify as a form of business in which it is lawful for the non-banking financing company to engage in, subject to requisite permission of the regulatory authorities.*
- vi. To carry on any other business (whether similar to any of the above mentioned business or not) which may seem to the Company capable of being conveniently carried on in connection with the above mentioned business calculated directly or indirectly to enhance the value of any of the company’s business, property or rights.*
- vii. To do all such other things as are incidental or conducive to the promotion or advancement of the business of the Company”*

23.2 For the purposes of the amendment of the Memorandum of Association of the Transferee Company as provided in this Clause, the consent/ approval given by the members of the Transferee Company to this Scheme pursuant to Section 232 of the Act and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of members of the Transferee Company as required under the applicable provisions of the Act shall be required to be passed for making such change/ amendment in the Memorandum of

Association of the Transferee Company and filing of the certified copy of this Scheme as sanctioned by the Tribunal, in terms of Section 230-232 of the Act and any other applicable provisions of the Act, together with the order of the Tribunal and a printed copy of the Memorandum of Association for the purposes of the applicable provisions of the Act and the RoC shall register the same and make the necessary alterations in the Memorandum of Association of the Transferee Company accordingly and shall certify the registration thereof in accordance with the applicable provisions of the Act.

- 23.3 The Transferee Company shall file with the RoC, all requisite forms and complete the compliance and procedural requirements under the Act, if any.

24. REMAINING BUSINESS OF THE DEMERGED COMPANY

- 24.1 The Remaining Business of the Demerged Company and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company. With effect from the Effective Date, only the Demerged Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.

- 24.2 All legal, Tax and/or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings in relation to the Remaining Business of the Demerged Company.

- 24.3 If the Resulting Company is in receipt of any demand, claim, notice and/or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of the Demerged Company, the Resulting Company shall, in view of the transfer and vesting of the Demerged Undertaking, pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company with the Demerged Company. However, if the Resulting Company, is unable to get the Demerged Company so substituted in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse the Resulting Company, against all liabilities and obligations incurred by or against the Resulting Company, in respect thereof.

25. DIVIDENDS

- 25.1 The Parties shall be entitled to declare and pay dividends to their respective shareholders in the ordinary course of business, whether interim or final.

- 25.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of any of the Parties, as the case may be, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of respective Parties, and subject to approval, if required, of the shareholders of the respective Parties.

26. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE

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

26.1.1 the Transferor Company and Demerged Company (with respect to the Demerged Undertaking) shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for Transferee Company and Resulting Company, as the case may be;

26.1.2 all profits or income arising or accruing to the Transferor Company and Demerged Company with respect to the Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted or collected at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Transferor Company and Demerged Company with respect to the Demerged Undertakings shall, for all purposes, be treated as and deemed to be the profits or income, taxes or losses, as the case may be, of the Transferee Company and Resulting Company, as the case may be; and

26.1.3 all loans raised and all liabilities and obligations incurred by the Transferor Company and Demerged Company with respect to the Demerged Undertakings after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and Resulting Company as the case may be and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Transferee Company and the Resulting Company as the case may be.

26.2 With effect from the date of approval of the Scheme by the respective Boards of the Parties and up to and including the Effective Date:

26.2.1 The Demerged Company shall, with respect to the Demerged Undertaking and the Transferor Company, carry on their respective businesses with reasonable diligence and business prudence and in the same manner as the Demerged Company and the Resulting Company had been doing hitherto;

26.2.2 The Demerged Company shall, with respect to the Demerged Undertaking and the Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under Applicable Law for such consents, approvals and sanctions which the Resulting Company or the Transferee Company may respectively require to carry on the relevant business of the Demerged Company or the Transferor Company and to give effect to the Scheme.

26.3 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Transferee Company and Resulting Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Company and demerger of the Demerged Undertaking, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferee Company and the Resulting Company shall always be deemed to have been authorized to execute any

pleadings, applications, forms, etc, as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Transferee Company and Resulting Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company and Resulting Company as the case may be pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferee Company and the Resulting Company as the case may be. It is clarified that the Transferee Company and Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/ or substitution.

27. FACILITATION PROVISIONS

- 27.1 Immediately upon the Scheme being effective, the Parties shall enter into agreements as may be necessary, *inter alia* in relation to use by the Parties of office space, infrastructure facilities, information technology services, security personnel, trademarks and other intellectual property rights, legal, administrative and other services, etc. on such terms and conditions that may be mutually agreed between them.
- 27.2 It is clarified that approval of the Scheme by the shareholders of Demerged Company and Resulting Company under sections 230 to 232 of the Act shall be deemed to have their approval under Section 188 and other applicable provisions of the Act and Regulation 23 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that no separate approval of the of the Board or audit committee or shareholders shall be required to be sought by the Parties.
- 27.3 It is clarified that all guarantees provided by the Demerged Company in respect of the Demerged Undertaking and the Transferor Company shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by the Resulting Company or the Transferee Company, as the case maybe.

28. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertaking are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company such company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Resulting Company.

29. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

- 29.1 The Parties shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law and for dissolution of the Transferor Company without being wound up.
- 29.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company may require to own the assets and/ or liabilities the Transferor Company or the Demerged Undertakings, as the case may be, and to carry on the business of the Transferor Company or the Demerged Undertakings, as the case may be.

30. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 30.1 On behalf of each of the Parties, the Board of the respective Parties acting themselves or through authorized Persons, may consent jointly but not individually, on behalf of all Persons concerned, to any modifications or amendments to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e., the Boards of the Parties) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.
- 30.2 For the purposes of giving effect to this Scheme or to any modification hereof, the Boards of the Parties acting themselves or through authorized Persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all Parties, in the same manner as if the same were specifically incorporated in this Scheme.

31. CONDITIONS PRECEDENT

- 31.1 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:
- 31.1.1 obtaining no-objection/ observation letter from BSE Limited in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
 - 31.1.2 approval of the Scheme by the requisite majority of each class of shareholders and creditors of the Transferor Company, the Transferee Company/Demerged Company, and the Resulting Company and such other classes of persons of the said parties, if any, by e-voting, as applicable or as may be required under the Act and as may be directed by the Tribunal;
 - 31.1.3 receipt of registration/ license by Transferee Company a from RBI as may be required, in relation to Part III of the Scheme;

- 31.1.4 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties;
- 31.1.5 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties; and
- 31.1.6 The requisite consent, approval or permission of Appropriate Authority including SEBI, BSE Limited, depositories etc. or any other Person which by Applicable Law or contract, agreement may be necessary for the implementation of this Scheme.
- 31.2 Without prejudice to Clause 31.1 and subject to the satisfaction or waiver of the conditions mentioned in Clause 31.1 above, the Scheme shall be made effective in the order as contemplated below:
- 31.2.1 Part II of the Scheme shall be made effective subject to the satisfaction or waiver of conditions mentioned in Clause 31.1 by the Boards of the Transferor Company, Resulting Company and the Transferee/ Demerged Company;
- 31.2.2 Part III of the Scheme shall be made effective immediately after the implementation of Part II of the Scheme; and
- 31.2.3 Part IV of the Scheme shall be made effective immediately upon allotment of Resulting Company New Equity Shares.
- 31.3 The condition as stated in Clause 31.1.3 above, shall only be applicable for effectiveness of Part III of this Scheme. It is clarified that in view of Clause 32.4 below, the condition as stated in Clause 31.1.3 above, shall not be applicable for effectiveness of Part II and Part IV of this Scheme.
- 31.4 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company may have under or pursuant to all Applicable Laws.
- 31.5 On the approval of this Scheme by the shareholders of the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company and such other classes of Persons of the said Parties, if any, pursuant to Clause 31.1.2, the shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger, amalgamation, capital reduction set out in this Scheme, related matters and this Scheme itself.
- 32. WITHDRAWAL OF THIS SCHEME, NON-RECEIPT OF APPROVALS AND SEVERABILITY**
- 32.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.
- 32.2 In the event of withdrawal of the Scheme under Clause 32.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.
- 32.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme or relevant part(s) of this Scheme

shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

- 32.4 Further, it is the intention of the Parties that each part shall be severable from the remainder of this Scheme and other parts of the Scheme shall not be affected, if any part of this Scheme becomes null and void, or is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

33. DISCLOSURES MANDATED BY BSE LIMITED

- 33.1 The following disclosure is provided pursuant to the comments received from the SEBI on this Scheme, as stated in the observation letter dated 18 November 2021 issued by BSE Limited in connection with this Scheme:

33.1.1 The Bombay Dyeing and Manufacturing Company Limited (“**BDMCL**”) is a promoter of the Transferee / Demerged Company and Mr. Ness N Wadia, is a promoter and a Director of BDMCL.

33.1.2 On 18 January 2019, the SEBI intimated BDMCL that, a complaint had been lodged by a shareholder of BDMCL, alleging that, *inter alia*, a scheme of arrangement between BDMCL and SCAL Services Limited (“**SCAL**”) filed with the Tribunal on 24 October 2018 and sanctioned by the Tribunal on 21 February 2019, had been fraudulent. In connection with the aforesaid, the SEBI sought information and documents by way of summons’ from BDMCL, its directors and auditors, which were responded by the aforesaid parties.

33.1.3 Pursuant to Sections 11(1), 11(2)(e), 11(4), 11(4A) and 11B of the SEBI Act, 1992 and Regulation 11 of SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003, on 11 June 2021, SEBI issued show cause notices bearing reference nos. SEBI/HO/CFID/CFID1/OW/P/2021/12045/1 to 12045/10 (“**Notices**”) to BDMCL, Mr. Nusli Neville Wadia (as the Chairman of BDMCL), Mr. Jehangir Nusli Wadia (as the Managing Director of BDMCL), Mr. Ness Nusli Wadia (as the Director of BDMCL) etc. The said parties had responded to the Notices *vide* their interim reply dated 27 July 2021 and detailed reply dated 9 August 2021. The hearings with respect to the Notices have been concluded.

33.1.4 In addition to the above, the SEBI had also issued separate show cause notices dated 30 August 2021 bearing reference nos. SEBI/efd1/AA/YR/SCN/21729/1/2021 to 21729/9/2021 to Independent Directors current and erstwhile, and Chief Financial Officer of BDMCL and the said matter is currently pending with the SEBI. The show cause notice dated 30 August 2021 bearing reference no. SEBI/efd1/AA/YR/SCN/21729/3/2021 has been issued to Mr. S. Ragothaman, Director of BDMCL. Mr. S Ragothaman *vide* his letter dated 1 November 2021, has responded to the said show cause notice.

- 33.2 In relation to the above, the SEBI is empowered to pass an order and take appropriate measures, including levy of penalty pursuant to provisions of Applicable Law. The SEBI is yet to pass an order in connection with the above and thus, the possible impact of the outcome of the said proceedings will depend basis the order passed by the SEBI. Further, BDMCL and

Mr. Ness N Wadia will have adequate right to undertake such steps/ actions to defend themselves in accordance with Applicable Law.

34. COSTS AND TAXES

All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Parties, respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme shall be paid by the Demerged Company and shall be allocated to the Resulting Company in the agreed ratio.
