

SCHEME OF AMALGAMATION (BY ABSORBPTION)

OF

**REFNOL RESINS AND CHEMICALS LIMITED
("TRANSFEROR COMPANY" OR "REFNOL")**

WITH

**INDOKEM LIMITED
("TRANSFEREE COMPANY" OR "INDOKEM")**

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under the provisions of Section 230 to 232 of the Companies Act, 2013)

I) PREAMBLE AND BACKGROUND

1. This Scheme of Amalgamation (hereinafter referred to as “**the Scheme**” or “**this Scheme**”) is presented pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**the Act**”) and the rules made there under (to the extent applicable) for the Amalgamation of Refnol Resins and Chemicals Limited with Indokem Limited. This Scheme (as defined hereinafter) also provides for various other matters consequential to, or otherwise integrally connected with the above, as more specifically stated hereinafter.

2. The brief background of various entities is as follows:
 - A) Refnol Resins and Chemicals Limited, (“**Transferor Company**” or “**Refnol**”) is a Public Limited Company incorporated under the Companies Act, 1956, under CIN L24200MH1980PLC023507 and having its registered office at Plot no. 410/411, Khatau House, Mogul Lane, Mahim, Mumbai – 400016. The Transferor Company was incorporated on December 1, 1980 as Refnol Oil Refineries Private Limited and subsequently, name was changed to Refnol Resins and Chemicals Private Limited w.e.f. November 6, 1992. It was changed to a Public Limited Company w.e.f. October 26, 1994 and accordingly name was changed to Refnol Resins and Chemicals Limited. The equity shares of Transferor Company are listed on BSE Limited. Transferor Company and Transferee Company have common promoters. The Transferor Company is engaged in the business of manufacturing and marketing of resins and chemicals.

B) Indokem Limited, (“**Transferee Company**” or “**Indokem**”) is a Public Limited Company incorporated under the Companies Act, 1956, under CIN L31300MH1964PLC013088 and having its registered office at Plot no. 410/411, Khatau House, Mogul Lane, Mahim, Mumbai - 400016. The Transferee Company was incorporated on December 22, 1964 as Khatau Junker Private Limited and subsequently, was converted to Public Limited Company as Khatau Junker Limited w.e.f. January 27, 1966. Further, the name of the Transferee Company was changed to Indokem Limited w.e.f. October 25, 1996. The equity shares of Transferee Company are listed on BSE Limited. Transferor Company and Transferee Company have common promoters. The Transferee Company is engaged in the business of manufacturing and dealing in dyes, sizing chemicals, auxiliaries in textile industry and electrical capacitors.

II) RATIONALE AND PURPOSE OF THE SCHEME

The Transferor Company and the Transferee Company are engaged in similar lines of business and complement each other. With an intent to expand the business and achieve larger product portfolio, economies of scale, efficiency, optimisation of logistics and distribution network and other related economies by consolidating the business operations being managed by different management teams, the Board of Directors of the Transferor Company and the Transferee Company propose to consolidate the business of the Transferor Company with the Transferee Company. The proposed amalgamation of the Transferor Company with Transferee Company would *inter alia* have the following benefits:

1. Creation of a combined entity, hosting all products under the

Transferee Company, thereby resulting in diversified portfolio of products, economies of scale, operational rationalization, efficiency of management and maximizing value for the shareholders.

2. Greater synergies between businesses and optimum use of manufacturing facilities, marketing strength, R & D facilities, Certifications resulting in productivity gains thereby maximizing value for the shareholders.
3. Optimum use of infrastructure and organizational efficiency by pooling of financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of Transferor Company and Transferee Company thereby significantly contributing to the future growth and maximizing shareholder value.
4. Better financial leverage, resulting in greater efficiency in cash and debt management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to realize higher profits for the combined entity.
5. Improved organizational capability and leadership, arising from the pooling of human capital, who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
6. Cost savings because of standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
7. Reduction in regulatory and legal compliances and avoidance of multiple records keeping.
8. Strengthening ability to face increasing competitive, regulatory, environmental and global risks; thereby resulting in sustainable and profitable long term growth for the combined entity.

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company. Accordingly, the Board of Directors of the Company have formulated this Scheme of Amalgamation for the transfer and vesting of the entire undertakings and business of the Transferor Company within and into the Transferee Company pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act.

III) Further, under the Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and / or unsecured creditors of the Transferor Company and / or the Transferee Company. No compromise is offered under this Scheme to any of the creditors of the Transferor Company and / or the Transferee Company. The liability towards the creditors of the Transferor Company and / or the Transferee Company under the Scheme, is neither being reduced nor being extinguished but shall be assumed and discharged by the Transferee Company in its ordinary course of business.

IV) PARTS OF THE SCHEME

The Scheme is divided into following parts:

- Part I - Deals with the definitions of the terms used in this Scheme, details of share capital of the Parties, and Date of Operation of this Scheme
- Part II- Deals with the Amalgamation of Transferor Company with the Transferee Company.
- Part III- Deals with general clauses, terms and conditions applicable to the Scheme.

PART - I

Definitions, Share Capital and Date of Operation of Scheme

1. DEFINITIONS

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

- 1.1. **“Act” or “the Act”** means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force, and the rules and regulations made thereunder;
- 1.2. **“Applicable Law(s)”** means any statute, notification, bye laws, rules, regulations, guidelines, circulars or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force;
- 1.3. **“Appointed Date”** means April 01, 2021 or such other date as may be fixed or approved by Hon’ble National Company Law Tribunal;
- 1.4. **“Appropriate Authority”** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of

law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Official Liquidator, Company Law Board, Competition Commission of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, National Company Law Tribunal and such other sectoral regulators or authorities as may be applicable;

- 1.5. **"Board of Directors"** or **"Board"** shall mean the Board of Directors of Transferor Company or Transferee Company, as the case may be or any committee thereof duly constituted, or any other person duly authorized by the Board for the purpose of this Scheme;
- 1.6. **"Effective Date"** means the last of the dates on which the authenticated copies or certified copies of the Order of NCLT under Sections 230-232 of the Act sanctioning the Scheme is filed with Registrar of Companies by the Transferor Company and Transferee Company. References in this Scheme to the date of "coming into effect of the Scheme" or "upon the Scheme becoming effective", or "effectiveness of the Scheme" and other similar expressions shall mean the Effective Date;
- 1.7. **"IT Act"** means the Income-tax Act, 1961, of India, including any statutory modifications, re-enactments or amendments thereof for the time being in force;
- 1.8. **"Governmental Authority"** or **"Government Body"** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;

- 1.9. **“NCLT” or “the Tribunal”** means the National Company Law Tribunal, Bench at Mumbai in relation to the Transferor Company and the Transferee Company.
- 1.10. **“Parties”** shall mean collectively the Transferor Company and the Transferee Company and **“Party”** shall mean each of them, individually;
- 1.11. **“Record Date”** means such date as may be mutually fixed by the Board of Directors of the Transferor Company and the Transferee Company for the purpose of reckoning names of Equity Shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company upon coming into effect of this Scheme;
- 1.12. **“Registrar of Companies”** means the Registrar of Companies in Mumbai;
- 1.13. **“SAST Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
- 1.14. **“Scheme” or “the Scheme” or “this Scheme” or “Scheme of Merger by Absorption” or “Scheme of Amalgamation”** means this Scheme of Amalgamation in its present form submitted to the NCLT or with any modification(s) made under Clause 21 of this Scheme or with such other modifications/amendments as the NCLT may direct;
- 1.15. **“SEBI”** means the Securities Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.16. **“SEBI Circulars”** means the circulars issued by Securities and Exchange Board of India in relation to the amalgamations and arrangements carried

out under the Act and shall *inter-alia* refer to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021, as amended from time to time.

- 1.17. **“Stock Exchange”** means the stock exchange where the Equity Shares of Transferor Company and Transferee Company are listed and admitted to trading, viz, BSE Limited;
- 1.18. **“Tax Laws”** means IT Act, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act applicable to any state in which the Transferor Company and / or Transferee Company operate, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, Goods and Service Tax or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess.
- 1.19. **“Transferee Company”** or **“Indokem”** means Indokem Limited having CIN L31300MH1964PLC013088 and registered office at Plot no. 410/411, Khatau House, Mogul Lane, Mahim, Mumbai - 400016.
- 1.20. **“Transferor Company”** or **“Refnol”** means Refnol Resins and Chemicals Limited having CIN L24200MH1980PLC023507 and registered office at Plot no. 410/411, Khatau House, Mogul Lane, Mahim, Mumbai - 400016.
- 1.21. **“Undertaking”** means and includes all the assets, properties, liabilities and the undertaking(s) and entire business(s) of the Transferor Company of whatsoever nature and kind and wherever situated, on a going concern basis, which shall include, without limitation:
- i. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or

incorporeal, present, future or contingent of whatsoever nature, whether or not appearing in the books of accounts) of the Transferor Company, including, without limitation, sheds, godowns, warehouses, offices, plant and machineries, equipment, interests, capital work-in progress, rolling stocks, installations, appliances, tools, accessories, freeholds, leasehold or any other title, interests or right in such immovable assets, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipment, computers and all stocks;

- ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes of the Transferor Company;
- iii. all investments (including shares, scripts, stocks, bonds, debentures, debenture stock, units of mutual funds, overseas investments and other securities), including dividends declared or interest accrued thereon of the Transferor Company;
- iv. all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and / or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities;
- v. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or

properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company or in connection with or relating to the said Transferor Company and all other interests of whatsoever nature 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 Transferor Company;

- vi. all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- vii. all licenses (including but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, sales tax credits, Good and Service Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever of the Transferor Company;

- viii. all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease / license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements / contracts with the supplier / manufacturer of goods / service providers and all rights, title, interests, claims and benefits there under of the Transferor Company;
- ix. all application monies, advance monies, earnest monies and / or security deposits paid or deemed to have been paid and payments against other entitlements of the Transferor Company;
- x. all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or un-asserted, matured or un-matured, liquidated or un-liquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the Transferor Company;
- xi. all intellectual property rights, registrations, trademarks, trade names, service marks, copyrights, patents, designs, goodwill, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature whatsoever (including applications for registrations of the

same and the right to use such intellectual property rights), books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it; and

xii. any and all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.

2. In this Scheme, unless the context otherwise requires:
- a) Words denoting the singular shall include the plural and vice versa;
 - b) Headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
 - c) Reference to the word "include" or "including" shall be construed without limitation;
 - d) A reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section or part of this Scheme;
 - e) Unless otherwise defined, the reference to the word "days" shall mean calendar days;
 - f) Reference to a document includes an amendment or supplement to, or replacement or novation of that document;
 - g) Word(s) and expression(s) elsewhere defined in the Scheme shall have

the meaning(s) respectively ascribed to them; and

- h) All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or in terms of this Scheme shall take effect from the Appointed Date but shall be operative from the Effective Date.

4. SHARE CAPITAL OF PARTIES

- 4.1. The share capital of Transferor Company as on March 31, 2021 is as follows:

| Particulars | Amount (INR) |
|--|---------------------|
| Authorized Capital | |
| 40,00,000 Equity Shares of Rs. 10 each | 4,00,00,000 |
| Total | 4,00,00,000 |
| | |
| Issued | |
| 35,23,500 Equity Shares of Rs. 10 each | 3,52,35,000 |
| | |
| Subscribed | |
| 30,89,900 Equity Shares of Rs. 10 each fully paid-up | 3,08,99,000 |
| Add: 4,33,600 Equity Shares Forfeited Shares | 21,68,000 |
| Total | 3,30,67,000 |

Subsequent to March 31, 2021 and upto the date of approval of the scheme by Board of Directors of Transferor Company, there has been no change in the

authorized, issued, subscribed and paid-up share capital of the Transferor Company. The equity shares of the Transferor Company are listed on BSE Limited.

4.2. The share capital of Transferee Company, as on March 31, 2021 is as follows:

| Particulars | Amount (INR) |
|---|---------------------|
| Authorized Capital | |
| 2,43,25,600 Equity Shares of Rs. 10 each | 24,32,56,000 |
| 21,00,000 Preference Shares of Rs. 10 each | 2,10,00,000 |
| Total | 26,42,56,000 |
| Issued, Subscribed and Paid-up Capital | |
| 2,43,25,600 Equity Shares of Rs. 10 each | 24,32,56,000 |
| 20,70,975 8% Non-cumulative Redeemable Preference Shares of Rs. 10 each | 2,07,09,750 |
| Total | 26,39,65,750 |

Subsequent to March 31, 2021 and upto the date of approval of the scheme by Board of Directors of Transferee Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferee Company. The equity shares of the Transferee Company are listed on BSE Limited.

PART - II

Amalgamation of Transferor Company with the Transferee Company

5. **Transfer and Vesting of Undertaking**
 - 5.1. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all properties, assets, liabilities and Undertaking(s) of the Transferor Company shall stand transferred to and vested in or deemed to

be transferred to and vested in the Transferee Company under the provisions of Section 230 to 232 of the Act and all other applicable provisions, if any, of the Act and also in accordance with section 2(1B) of the IT Act, without any further deed or act, subject to existing charges or *lis pendens*, if any thereon, in favour of banks/financial institutions.

- 5.2. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all immovable property (Including but not limited to property situated at Plot no. 23, Phase III, G.I.D.C., Naroda, Ahmedabad – 382 330 (including land, buildings and any other immovable property) of the Transferor Company, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, shall stand vested in the Transferee Company, without any act or deed done by the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company.
- 5.3. Notwithstanding anything contained in this Scheme, with respect to the immovable properties in the nature of land and buildings situated in India, whether owned or leased, for the purpose of, inter alia, payment of stamp duty, registration fees or other similar taxes or fees, if the Transferee Company so decides, the Transferor Company and Transferee Company,

whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty, registration fees or other similar taxes or fees (if required under applicable law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme

- 5.4. All lease and license agreements, if any, entered into by the Transferor Company with landlords, owners and lessors in connection with the use of the assets of the Undertaking, together with security deposit, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreement and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Transferor Company.
- 5.5. Without prejudice to the generality of the foregoing, with effect from the Appointed Date, it is expressly provided that in respect of such of the assets of the Transferor Company that are movable in nature and / or are otherwise capable of transfer by manual or constructive delivery and / or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of section 230 to 232 of the Act, without any further act, instrument, deed, matter or thing.
- 5.6. In respect of movables other than those dealt with in Clause 5.5 above

including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments (including overseas investments), earnest money and deposits with any Government, quasi Government, local or other authority or body or with any Company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors (although the Transferee Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).

- 5.7. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking of Transferor Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.
- 5.8. The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Transferor Company.

PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor

Company and Transferee Company shall not be obliged to create any further or additional security in relation to subsisting charges, if any, thereof after the date of approval of this Scheme by the NCLT or otherwise.

- 5.9. Upon the Scheme becoming effective, all staff, workmen and employees as detailed under Clause 1.21(xii) above in relation to the Transferor Company shall become the staff, workmen and employees of the Transferee Company, without any further act or deed to be done by the Transferor Company or the Transferee Company.
- 5.10. Upon approval of the Scheme by the Tribunal, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall 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 part of the Transferor Company.
- 5.11. Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Act. The Transferor Company and the Transferee Company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.
- 5.12. All taxes, duties, cess payable by the Transferor Company including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company.

- 5.13. All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 5.14. All the Insurance policies registered in the name of the Transferor Company which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall, pursuant to the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, the insurance Companies shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Company so as to ensure that all the rights and privileges under all such policies available to the Transferor Company and / or to any other person/director/employee of such Transferor Company, whether in the

capacity of the Policy Holder or Owner or Insured or the Beneficiary, as the case may be, be available to the benefit of the Transferee Company and / or to any other person/director/employee of Transferee Company, as the case may be, on the same terms and conditions as they were applicable to the Transferor Company concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. However, for the insurance policies which do not permit such transfer/assignment, the Transferee Company may make fresh application(s) to the concerned authority/insurance Company(ies) on such terms and conditions as may be prescribed. It is hereby clarified that all the costs and / or expenses and / or premiums in relation to the transfer/assignment/of the insurance policies in the name of Transferor Company shall be borne by the Transferee Company and the Transferor Company shall have no further obligations in this regard.

- 5.15. All the brands and trademarks (including logo and right to use the 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 and vest in and deemed to be transferred to and vested in the Transferee Company. 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.
- 5.16. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all existing and future incentives, un-availed credits and expenditures, exemptions and deductions, benefit of carried forward

losses and other statutory benefits, including in respect of income tax (including MAT credit under the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, GST including the IGST input tax credit, CGST input tax credit and SGST input tax credit for the registrations of the Transferor Company in all the states, to which the Transferor Company are entitled to shall be available to and vest in the Transferee Company and deemed to be available to and vested in the Transferee Company.

- 5.17. The Transferee Company shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Company.
- 5.18. It is hereby clarified that all assets and liabilities appearing in the books of account of the Transferor Company as on the Appointed Date which are set forth in the closing balance sheet of the Transferor Company as of the opening of business hours on the Appointed Date shall be transferred to Transferee Company.
- 5.19. The Transferee Company shall, under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

6. **LEGAL, TAXATION AND OTHER PROCEEDINGS**

- 6.1. Upon coming into effect of this Scheme, all suits, actions and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or Tribunal or Court authorities as the case be) by or against the Transferor Company pending on the Effective

Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferee Company.

- 6.2. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, 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.
- 6.3. In case of any litigation, suits, recovery proceedings which are to be initiated or may be intimated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 7.1. Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments of whatsoever nature in relation to the Transferor Company to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company,

the Transferee Company had been a party or beneficiary or obligee thereto.

- 7.2. The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangements to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions.
- 7.3. On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the Transferee Company without any further act or instrument or deed and further it shall not be necessary to obtain the consent of any third party or other person who is party to any such contract / escrow arrangements / deeds / any other arrangements.

8. **CONDUCT OF BUSINESS UNTIL AND AFTER EFFECTIVE DATE**

- 8.1. With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business for and on account of and in trust for the Transferee Company;
 - i. Carry on the business, in either name as the circumstances may be, for those unfinished or incomplete business, contracts, transactions which may be necessary to be transacted and completed;
 - ii. All the profits or income accruing or arising to the Transferor Company or expenditure or losses incurred by the Transferor Company shall for all purposes be treated and deemed to be the

profits or income or expenditure or losses (as the case may be) of the Transferee Company; and

iii. The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company.

8.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

8.3. For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified as follows:

8.3.1. With effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and 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. Similarly, till the time any regulatory registrations of the Transferor Company are closed / suspended and regulatory filings are required to be done on such registrations, the Transferee Company shall be entitled to do so to comply with the relevant regulations.

- 8.3.2. With effect from the Effective Date, the Transferee Company shall be entitled to use all packed / labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, brochures, other publicity material, etc. lying unused with the Transferor Company or their vendors, suppliers or third party or in their supply chain or distribution channel and which the Transferor Company is entitled to use under any statutes/ regulations, till such time as all of such stock exhaust without making any amendment on those goods or materials.
- 8.3.3. With a view to avoid any disruption of business, to ensure continuity of operations and exports and to maintain the same quality of products, with effect from the Effective Date and till such time all critical licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Company are transferred, recorded, effected and / or perfected, in the record of the relevant governmental / regulatory authorities in all applicable jurisdictions in favour of Transferee Company, the Transferee Company shall carry on and be deemed to have been carrying on all the business and activities of Transferor Company in the name and style of the Transferor Company and under the relevant licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferor Company. Further, during such period, Transferee Company can procure or use or manufacture, all material and product including packed / labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, brochures, other publicity material, etc. in the name and form/format of the Transferor Company.

9. STAFF, WORKMEN AND EMPLOYEES

- 9.1. Upon the coming into effect of this Scheme, all staff, workmen and employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favorable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this scheme. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.
- 9.2. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall

continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.

9.3. The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its staff, workmen and employees and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

9.4. The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

10. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the Undertaking under clause 5 above, and the continuation of proceedings by or against the Transferee Company in clause 6 above shall not affect any transactions or proceedings already concluded or liabilities incurred, or any liabilities discharged by the

Transferor Company, on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

11. INTER-SE TRANSACTIONS

11.1. Without prejudice to the aforesaid Clauses, with effect from the Appointed date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed.

11.2. Further, it is clarified that the above clause has no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

12. CONSIDERATION

12.1. Upon the Scheme coming into effect and in consideration of the transfer and vesting of Transferor Company in the Transferee Company pursuant to Part II of this Scheme and subject to the provisions of this Scheme, the Transferee 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 Transferor Company, whose name is recorded in the register of members as member of the Transferor Company as on the Record Date, as follows:

“1,153 (One Thousand One Hundred and Fifty-Three) equity shares of Indokem having face value of INR 10 each fully paid up shall be issued for every 1,000 (One Thousand) equity shares held in Refnol having face value of INR 10 each fully paid up”

- 12.2. The equity shares to be issued and allotted pursuant to amalgamation of the Transferor Company with the Transferee Company under this Scheme shall be subject to the provisions of the Memorandum of Association and Articles of Association of Transferee Company and shall rank pari passu in all respects with any existing equity shares of the Transferee Company after the Effective Date including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the shares of the Transferee Company.
- 12.3. The issue and allotment of the 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 Transferee Company or the Transferor Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law as may be applicable, were duly complied with. It is clarified that the approval of the members of the Transferee Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of shares of the Transferee Company.
- 12.4. The New Shares to be issued by the Transferee Company shall be issued in dematerialized form to those Eligible Members who hold shares of the Transferor Company in dematerialized form, into the account in which shares of the Transferor Company are held or such other account as is intimated in writing by the Eligible Members to the Transferor Company

and/ or its registrar provided such intimation has been received by the Transferor Company and/or its registrar at least 7 (seven) days before the Record Date. All those Eligible Members who hold shares of the Transferor Company in physical form shall also receive the New Shares to be issued by the Transferee Company, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to the Transferor Companies and/ or its registrar provided such intimation has been received by the Transferor Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any Eligible Member who holds shares of the Transferor Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any Eligible Member do not permit electronic credit of the shares of the Transferee Company, then the Transferee Company may allot physical shares to such shareholder, as may be permitted under Applicable Law.

- 12.5. For the purpose of allotment of the shares, pursuant to this Scheme, in case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Transferee Company in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders to whom they belong for the specific purpose of selling such shares in the market at such price or prices and at such time or times as the trustee may, in its sole discretion, decide and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their

fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company pertaining to the fractional entitlements.

- 12.6. On approval of this Scheme by members of the Transferee Company pursuant to Sections 230-232 of the Act and / or relevant provisions of the Act, if applicable, it shall be deemed that the said members have also accorded their consent under Sections 13, 42, 61 and 62 of the Act and / or any other applicable provisions of the Act and rules and regulations framed thereunder as may be applicable for the aforesaid issuance of shares of the Transferee Company, and no further resolution or actions shall be required to be undertaken by the Transferee Company under Sections 13, 42, 61 or 62 of the Act or any other applicable provisions of the Act and rules and regulations framed thereunder.
- 12.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee 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 Transferor Company, after the effectiveness of this Scheme.
- 12.8. The shares to be issued pursuant to this Scheme in respect of any equity shares of the Transferor 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.
- 12.9. The shares to be issued by the Transferee Company in lieu of the shares of the Transferor Company held in the respective unclaimed suspense

account of the Transferor Company shall be issued to a new unclaimed suspense account created for shareholders of the Transferor Company.

- 12.10. In the event, any or both the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio stated in Clause 12.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions undertaken by such Party.
- 12.11. If necessary, the Transferee Company shall before allotment of the equity shares in term of the Scheme, increase, reclassify, and / or restructure its authorized share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.
- 12.12. The Transferee Company shall apply for listing of new equity shares allotted by Transferee Company on the Stock Exchange in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The new equity shares allotted by the Transferee Company, pursuant to the Scheme, shall remain frozen in the depository system till listing / trading permission is given by the Stock Exchange.
- 12.13. The Transferee 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 the Stock Exchange and SEBI Circular.

13. **ACCOUNTING TREATMENT IN BOOKS OF THE TRANSFEEE COMPANY**

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the transfer and vesting of the assets and liabilities of the Transferor Company in its books of

accounts as a common control business combination as per "Pooling of Interest Method" prescribed under the Indian Accounting Standard Ind-AS 103 - "Business Combination" notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Act, specifically:

- 13.1. All the assets, liabilities and reserves in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the scheme and shall be recorded at their carrying amounts as appearing in the books of the Transferor Company, on the Appointed Date;
- 13.2. The identity of the reserves shall be preserved and shall appear in the books of the Transferee Company in the same form in which they appeared in the books of the Transferor Company.
- 13.3. The Transferee Company shall credit to its Share Capital Account, the aggregate face value of the shares issued by it pursuant to Clause 12 of this Scheme.
- 13.4. Upon the Scheme coming into effect, the surplus/deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of Clause 13.1 over the face value of the shares issued and allotted pursuant to clause 12, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.
- 13.5. The inter-company investments, loans, advances, deposits, balances unpaid dividend or other obligations between the Transferee Company and the Transferor Company, if any appearing in the books of the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf.
- 13.6. The Transferee Company shall record in its books of account, all

transactions of the Transferor Company in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

- 13.7. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position on the basis of consistent accounting policies.
- 13.8. Notwithstanding the above accounting treatment, the Board of Directors of the Transferee Company are authorized to account for any of these transactions / balances in any manner whatsoever, as may be deemed fit, in accordance with applicable Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India.

14. COMPLIANCE WITH TAX LAWS

- 14.1. This Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2(1B) of the IT Act and other relevant provisions of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act and other relevant provisions of the IT Act.
- 14.2. All tax assessment proceedings / appeals (including application and proceedings in relation to advance ruling) of whatsoever nature by or

against the Transferor Company pending and / or arising at the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued 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 and enforced by or against the Transferor Company.

- 14.3. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 14.4. Any tax liabilities including but not limited to liabilities under the IT Act, foreign tax credit, Tax Treaties, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provisions in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 14.5. Any refund including but not limited to refund under the IT Act, foreign taxes, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company due to the Transferor Company consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- 14.6. On or after the Effective Date, the Transferee Company is expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for the

purpose of re-computing minimum alternative tax, and claiming other tax benefits), service tax law, VAT law, Goods and Service tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit), and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme notwithstanding that the period of filing / revising such returns / forms may have lapsed and period to claim refund / credit also elapsed upon this Scheme becoming effective. Nothing contained in this Scheme, shall restrict the Transferee Company to record assets and liabilities for income tax purpose in accordance with the principles enunciated under the IT Act.

- 14.7. All taxes including income-tax, minimum alternate tax, foreign taxes, custom duty, service tax, goods and service tax, etc. paid or payable by the Transferor Company in respect of their operations and / or the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, custom duty, service tax, goods and service tax, etc.) whether by way of deduction of tax at source, advance tax or otherwise howsoever, by the Transferor Company in respect of their profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company / Transferee Company on payables to the Transferee Company / Transferor Company on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any goods and service tax paid by the Transferor Company / Transferee Company to the Transferee

Company / Transferor Company on account of inter-se transactions which has been deemed not to be accrued, shall be deemed to have been paid by or on behalf of the Transferee Company and shall, in all proceedings, be dealt with accordingly.

- 14.8. After the Appointed Date, obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company including but not limited to obligation under the IT Act, customs law, goods and service tax law or other applicable laws / regulations dealing with taxes / duties / levies shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 14.9. Without prejudice to the generality of the above, all benefits, incentives, losses, credit for tax including on book profits, accumulated losses, credits (including, without limitation income tax, excise duty, service tax, applicable state value added tax, Cenvat Credit, goods and service tax credit, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company on and after the Appointed Date, even if such credits have not been availed off in the books as on the date of transfer. Also, the Transferee Company will be entitled to avail Cenvat Credit / Goods and Service Tax Credit after the Appointed Date in respect of all duties / taxes where the documents are in the name of the Transferor Company. Further, licenses issued to the Transferor Company by any regulatory authorities, if any, and all benefits and tax credits, if any, associated with it shall stand transferred to the Transferee Company upon the Scheme becoming effective.

15. DISSOLUTION OF THE TRANSFEROR COMPANY WITHOUT WINDING UP

Subject to an order being made by the under Section 230 to 232 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provision of the Act and the Rules made hereunder.

16. COMBINATION OF AUTHORISED SHARE CAPITAL

- 16.1. Upon the Scheme becoming effective, the Authorised Share Capital of the Transferor Company shall stand transferred, re-organised, credited and merged with that of the Transferee Company without payment of additional fees and stamp duty as the said fees and stamp duty have already been paid by the Transferor Company and the Authorised Share Capital of the Transferee Company will be increased to that effect by just filing requisite forms and no separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and other applicable provisions of the Act as follows:

“The authorized share capital of the company is Rs.30,42,56,000/- (Thirty Crores Forty Two Lakhs Fifty Six Thousand only) divided in to 2,83,25,600 (Two Crores Eighty Three Lakhs Twenty Five Thousand Six Hundred) equity shares of Rs.10 (Rupees Ten) each and 21,00,000 (Twenty One Lakhs) 8% Non- Cumulative Redeemable Preference Shares of Rs. 10/- (Rupees Ten) each with power to the Company to increase or reduce the capital of the Company and to divide the equity and preference shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deterred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Companies Act, 2013, or any statutory modification or re-enactment thereof for the time being in force or as provided by the Articles of Association of the Company”

- 16.2. The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Section 13, 61 and

other applicable provisions of the Companies Act, 2013, and any other approvals required in this regard. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their approval also to the alteration to the Memorandum of Association of the Transferee Company as may be required under the Act.

17. EXEMPTION UNDER SAST REGULATIONS

For avoidance of doubts, it is hereby clarified that pursuant to Amalgamation of the Transferor Company into and with the Transferee Company, the issuance of shares of the Transferee Company to the shareholders of the Transferor Company as a consideration for the amalgamation of the Transferor Company into and with the Transferee Company, in terms of this Scheme, is exempt under the provisions of Regulation 10(1)(d)(ii) of the SAST Regulations, and therefore the requirement to make an open offer shall not be triggered in terms of the provisions of the SAST Regulations.

PART - III
GENERAL CLAUSES, TERMS AND CONDITIONS

18. DIVIDENDS

- 18.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders in respect of the accounting period commencing from and after Appointed Date and up to the Effective Date. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company.
- 18.2. It is clarified that the provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholders of the Transferor Company and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.

19. VALIDITY OF RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and / or shareholders of the Transferor Company as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have monetary limits approved under the provisions of the Act, or any other applicable statutory provisions , then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits if any, under like resolutions passed by the Board of Directors and / or the shareholders of

the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

20. APPLICATIONS TO THE NCLT

Both the Transferor Company and the Transferee Company shall make applications to the NCLT, Mumbai Bench since the registered office of Transferor Company and Transferee Company is situated in Mumbai. The jurisdiction of the Transferor Company and Transferee Company is NCLT, Mumbai Bench, for sanctioning this Scheme under Sections 230-232 of the Act for orders thereof for carrying this Scheme into effect.

21. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 21.1. Subject to approval of NCLT, the Parties through their Board of Directors including any Committee of Directors or other persons, duly authorised by the Board of Directors in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations or orders, which the NCLT or any other Competent Authority may deem fit to direct, approve or impose and may give such directions as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect. The shareholders approving the Scheme shall be deemed to have given their consent to the proposed modification to the scheme without any further recourse to them.

21.2. If any part or provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and Transferee Company, affect the validity of implementation of the other parts and / or provisions of the Scheme. If any part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and Transferee Company that such part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part or provision, as the case may be, shall cause this Scheme to become materially adverse to the Transferor Company and / or Transferee Company, in which case the Transferor Company and / or Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and / or Transferee Company, the benefits and obligations of the Scheme, including but not limited to such part or provision.

22. **SCHEME CONDITIONAL ON APPROVALS/SANCTIONS**

22.1. The Scheme is conditional upon and subject to:

- i. approval of Appropriate Authorities (including SEBI) and receipt of 'No Objection letter' from Stock Exchange where such approval or consent is necessary;
- ii. the approval of the Scheme by the requisite majority of the respective members and such class of persons of Transferor Company and the Transferee Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Appropriate Authority in this respect;
- iii. the approval of the shareholders of Transferor and Transferee

Company through e-voting and / or other mode as may be required under any applicable law and the SEBI Circular. The scheme is conditional upon scheme being approved by the public shareholders through e-voting in terms of Para 10(a) of Part I of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/665 dated November 23, 2021 and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

- iv. sanction of the Appropriate Authority, being obtained under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and the Transferee Company;
- v. the necessary certified copies of the order under Sections 230 to 232 of the Act, and other applicable provisions of the Act are duly filed with the Registrar of Companies; and
- vi. all other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

23. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Transferor Company, Transferee Company, Governmental Authorities and all concerned parties without any further act, deed, matter or thing.

24. COSTS

All costs, charges, levies and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of the Transferor Company and Transferee Company, respectively in relation to or in connection with or incidental to this Scheme or the implementation thereof

shall be borne and paid for by the Transferee Company, unless otherwise determined by the Boards of Directors of the Transferor Company and Transferee Company.

25. **SEVERABILITY**

25.1. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and / or Transferee Company, affect the validity or implementation of the other parts and / or provisions of this Scheme.

25.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Transferor Company and Transferee Company and their respective shareholders, and the terms and conditions of this Scheme, the latter shall prevail.

26. **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 Undertaking of the Transferor Company are transferred, vested, recorded, effected and / or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Transferee 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 Transferor 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 Transferee Company.

27. REMOVAL OF DIFFICULTIES

The Transferor Company and the Transferee Company through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing may give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those to the extent permissible under Applicable Law; and do all such acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

28. EFFECT OF NON-RECEIPT OF APPROVALS

28.1. In the event of any of the said sanctions and approvals referred to in Clause 22 not being obtained and / or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is

specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Upon the termination of this Scheme as set out in above clause, no rights and liabilities shall accrue to or be incurred by respective Parties or their shareholders or creditors or employees or any other persons. In such case, each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

- 28.2. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity post the Amalgamation.