

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**CHEMBOND MATERIAL TECHNOLOGIES LIMITED**  
(formerly known as Chembond Chemicals Limited)



**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

Office of the Central Processing Centre

Plot No. 6,7, 8, Sector 5, IMT Manesar, Manesar, Haryana, India, 122050

**Certificate of Incorporation pursuant to change of name**

[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]

Corporate Identification Number (CIN): **L24100MH1975PLC018235**

I hereby certify that the name of the company has been changed from CHEMBOND CHEMICALS LIMITED to CHEMBOND MATERIAL TECHNOLOGIES LIMITED with effect from the date of this certificate and that the company is Company limited by shares.

Company was originally incorporated with the name CHEMBOND CHEMICALS LIMITED

Given under my hand at ROC, CPC this TWENTY SEVENTH day of MAY TWO THOUSAND TWENTY FIVE

Document certified by \*.mca.gov.in.

Digitally signed by  
\*.mca.gov.in  
Date: 2025.05.27 12:10:13 IST

Dhirendra Singh

Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies

Central Processing Centre

Note: The corresponding form has been approved by Dhirendra Singh, Central Processing Centre, and this order has been digitally signed by the Registrar of Companies through a system generated digital signature under rule 9(2) of the Companies (Registration Offices and Fees) Rules, 2014.

Mailing Address as per record available in Registrar of Companies office:

CHEMBOND MATERIAL TECHNOLOGIES LIMITED

PLOT NO EL-71,TTC IND AREA MIDC ELECTRONIC, MAHAPE, NA, THANE- 400710, Maharashtra, India

Note: This certificate of incorporation is in pursuance to change of name by the Company and does not affects the rights and liabilities of stakeholders pursuant to such change of name. It is obligatory on the part of the Company to display the old name for a period of two years along with its new name at all places wherever a Company is required to display its name in terms of Section 12 of the Act. All stakeholders are advised to verify the latest status of the Company and its Directors etc and view public documents of the Company on the website of the Ministry [www.mca.gov.in/MCA21](http://www.mca.gov.in/MCA21)



NO. 18295

CERTIFICATE OF CHANGE OF NAME  
UNDER THE COMPANIES ACT, 1956.

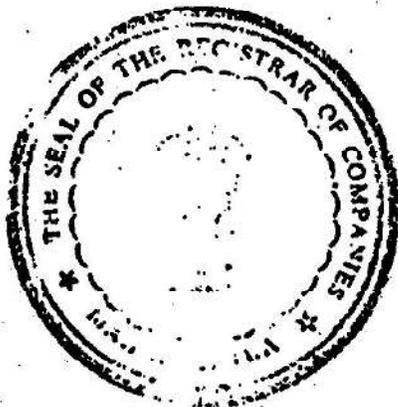
In the matter of CHOMBOND CHEMICALS PRIVATE LIMITED

I do hereby certify that pursuant to the provisions of section 23 of the Companies Act, 1956 and the Special Resolution passed by the company at its Annual/Ex-Ordinary General Meeting ... on 24-2-93 the name of CHOMBOND CHEMICALS PRIVATE LIMITED

has this day been changed to CHOMBOND CHEMICALS LIMITED

And that the said company has been duly incorporated as a company under the provisions of the said Act.

Dated this FOURTH day of MAY One thousand nine hundred and ninety-~~two~~<sup>THREE</sup>



*(Signature)*  
( G. C. GUPTA )  
Addl REGISTRAR OF COMPANIES,  
MAHARASHTRA, BOMBAY



सत्यमेव जयते

## CERTIFICATE OF INCORPORATION

No 18235 1974-75

I hereby certify that CHEMBOND CHEMICALS PRIVATE LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at BOMBAY this TWENTYSECOND day of MARCH, One thousand nine hundred and SEVENTY FIVE.



Sd/-  
( D. J. BISWAS )  
Registrar of Companies,  
MAHARASHTRA.

**MEMORANDUM OF ASSOCIATION OF  
CHEMBOND MATERIAL TECHNOLOGIES LIMITED**

I. The name of the Company is **CHEMBOND MATERIAL TECHNOLOGIES LIMITED**.\*\*\*

II. The Registered Office of the Company will be situated in the State of Maharashtra.

III. \*\*

**(A) OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-**

1. To carry on the business whether in India or outside India of manufacturing, producing, processing, mixing, blending, refining, formulating, buying, selling, distributing or otherwise dealing in all kinds and varieties of chemicals including but not limited to speciality chemicals, intermediates, or chemical mixtures, additives, adhesives, cleaning agents, bonding agents, waterproofing compound, chemicals for coating or otherwise, organic / inorganic chemicals, resins, resins based chemicals, corrosion inhibitors, surface treatment of ferrous and non-ferrous metals and other substrates for anti-corrosive, paint adhesion or lubricity purposes, electrolytic cleaners, chemical paint strippers, chemically treated cloth, face mask and other material for dust control and removal, chemicals and polishes for finished products, plastic compounds, particularly polyvinyl chloride, liquid plastic membranes, liquid plastic coating materials and chemicals of all types, all kinds of paints, enamels, varnishes, coatings, enzymes, sealants etc, whole range of water and waste water treatment chemicals, systems and machineries, water management solutions, water treatment membranes, oilfield and process chemicals, textile chemicals, bio-based chemicals, bio-remediation cultures and chemicals, engineering polymers and materials, Bio based polyamides used as engineering and performance plastics, high performance polymers for commodity and automobile applications, high performance and high temperature withstanding plasticisers as lubricating additive for rolling steel application, synthesise and characterization of monomers for high performance differentiated polyimides, Electronic instruments and smart automation products.
2. To carry on all or any business of manufacturers, dealers or processors in the field of pretreatment of ferrous and non-ferrous metals for anti-corrosive and paint adhesion purposes.
3. To carry on all or any of the business of Chemical Engineers, Manufacturers, dealers in chemicals and as inventors, exploiters or all types of processes on the field of chemicals and the pre-treatment for anticorrosive and paint adhesive purposes of metals and metallic substances.
4. To undertake and execute or sub-contract whole or in part any engineering contracts for supply, manufacture, use or application of all types of the above products, either for construction, repairs, maintenance, coating, bonding or otherwise and to undertake and carry out construction and development activities, facility management, project

management consultancy, technical equipments and installations, providing performance monitoring services, undertaking operating and maintenance contracts, offering EPC and design engineering services.

5. To establish, operate, propagate, manufacture, produce, cultivate, process, do research and development, test, analyze, collaborate, import, export, sell, purchase or otherwise deal in marketing or multi-marketing of healthcare and nutrition products, food or food supplements for cattle, livestock, poultry, pets, fishes and all living species, whether for healthcare, nutrition or bioscience (any of the life sciences) related purposes. Products can include any chemicals, drugs, intermediates, plants, herb and vegetable extracts, marine / sea foods, natural or genetically modified organisms or organism derived products, manufactured through plant & machinery, fermentation, membrane processing, or through any other processing.
6. To undertake, conduct, promote or carry on or to help to undertake, conduct, promote or carry on either the scientific and/ or industrial research and developmental activities to develop new products or substitute for existing / imported products and to develop and maintain testing house and laboratory for own use and for others either solely or in association with others in connection with the Company's object or trade or businesses or any of them.
7. To carry on any other business (whether manufacturing or otherwise), which may seem to the Company capable of being conveniently or advantageously carried on in connection with the Company's objects or which it may feel advisable to undertake with a view to developing, rendering valuable prospect or turning to account or in which the Company may be interested.

**(B) MATTERS WHICH ARE NECESSARY FOR THE FURTHERANCE OF THE OBJECT SPECIFIED IN CLAUSE III (A) ARE:-**

1. To undertake and execute any contract for the supply, design, fabrication, manufacture, installation of all types of machinery, producing all types of chemicals and chemicals for the treatment of all types of metals and to carry out any ancillary.
2. To carry on research and development of technology and process development with a view to sell the knowhow on royalty, licence or any other basis and to deal in all types of chemicals, metals, alloys, compounds, synthetics and such other allied or kind trades and business to buy, sell, deal and manufacture in all kinds of chemicals, metals, materials, substances, stores, articles, chattels and effects which may be found advantageous or convenient and things required for incidental to such business as aforesaid.
3. To purchase any materials, machinery, plant, stores and other articles or things for all or any of the objects or purpose of the Company.
4. To purchase, buy, take on lease, or otherwise acquire any land (whether freehold or leasehold) houses, buildings or other property with or without machinery to erect, construct and build any warehouses, engine houses, factories, mills or other buildings, which may be considered expedient or desirable for the objects or purposes of the Company or any of them, and to pay for the same lands, buildings,

and other property, whether purchased or acquired or built or constructed by the Company, in cash or on deferred payment or to take advances on them or any of them.

5. To extend the business of the Company from time to time, by adding to, altering or enlarging all or any of the buildings, premises, plant and machinery, for the time being the property or in the possession of the Company; also by erecting new or additional buildings on all or any of the lands, for the time being the property or in the possession of the Company and also expanding from time to time such sums of money as may, in the opinion of Directors, be necessary or expedient for the purpose of improving, adding to, altering, repairing and maintaining buildings, machinery, plant and property for the time being of the Company and to pay for all such extensions, improvements, additions and alterations either in cash or to make advances on them.
6. To invest, discover, acquire and take over recipes, formulas, technical and other data and information, trade-marks, patents and patent rights, privileges, licenses, concessions in regard to any machines and any other substances, articles and things and the manufacture, preparation, sale and disposal thereof which the Company is authorized to manufacture or deal in.
7. To buy, sell, manufacture, repair, alter, exchange, let or take on hire, export and deal in any articles of whatever description, plant, machinery, materials, including stores and raw materials, implements, rolling stock and hardware of all kinds and things which may be required for the purposes of any of the business of the Company or commonly supplied or dealt in by persons engaged in similar business or which may seem capable of being profitably dealt with in connection with or otherwise calculated directly or indirectly, to enhance the value or render profitable any of the Company's properties or rights.
8. To purchase or by any other means acquire and protect, prolong and renew, whether in India or elsewhere, any patents, patent rights, brevets d'invention, licences, protections, and concessions, which may appear likely to be advantageous or useful to the Company, and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
9. To establish and maintain any agencies in any part of the world for the conduct of the business of the Company or for the purchase or sale of any materials or things for the time being at the disposal of the Company for sale and to advertise and adopt means of making known, all or any of the manufactures, products or goods of the Company or any articles or goods traded or dealt in by the Company in any way that may be thought advisable.
10. To purchase or otherwise acquire and undertake the whole or any part of the business, property rights and liabilities of any person, firm or Company carrying on any business which this Company is authorized to carry on or possessed of property or rights suitable for any of the purposes of the Company, and to purchase, acquire, sell and deal in property both movable and immovable, shares, stock, debenture-stock of any such persons, firm or company and to conduct, make or carry into effect any arrangements in regard to the winding-up of the business of

any such person, firm or company.

11. To enter into partnership or into any arrangement for sharing profits, amalgamation, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in, or any business or transaction which the Company is authorized to carry on or engage in, or any business directly or indirectly to benefit the Company; and to lend money, to guarantee the contracts of or otherwise assist any such person, firm or company and to place, take or otherwise acquire with or without guarantee or otherwise deal with the same.
12. To amalgamate with any company or companies having objects altogether or in part similar to those of this Company.
13. To promote any company or companies or to take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company for the purpose of acquiring all or any of the property, rights, and liabilities of the said company with a view to directly or indirectly benefit this Company.
14. To contract, execute, carry out, equip, improve, work, develop, administer, manage or control all kinds of factories or manufacturing works and conveniences of all kinds.
15. To draw, accept and make, and to endorse, discount and negotiate promissory notes, hundies, bills of exchange, bills of lading and other negotiable instruments connected with the business of the Company.
16. Subject to the provisions of Section 73, 74 and 76 of the Companies Act, 2013, and rules framed thereunder and directives of the Reserve Bank of India (RBI) from time to time to borrow or raise or secure payment of money or to receive money on deposit at interest for any of the purposes of the Company, and at such time or times and in such manner as may be thought fit and in particular by the issue of debentures, or debenture-stocks, perpetual amenities or otherwise as security for any such money so borrowed, raised or received, or of any such debentures, or debenture-stock so issued to mortgage, pledge or charge the whole or any part of the property, assets, undertakings or revenue and profits of the Company, present or future including its uncalled capital by special assignment or otherwise to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient, and to purchase, redeem, or pay off any such securities, provided the Company shall not carry on Banking business as defined by the Banking Regulation Act, 1949.
17. To accumulate funds and to deal with and invest monies of the Company not immediately required in equity or preference shares, mutual funds, stocks, bonds, debentures (convertible and non-convertible) of new projects and securities of all kinds and every description of well-established and sound companies, to subscribe to capital issues of joint stock companies, ventures, industries, units, trading concerns whether old or new, whether falling under the same management or otherwise as the Company may think fit and to assist them by granting financial accommodation by way of loans/advances to industrial concerns and to assist industrial enterprises in creation, expansion and modernisation upon terms whatsoever and to act as finance brokers, merchants and commission agents and to deal in Government securities

including Government bonds, loans, National savings certificates, post office, saving schemes, units of investments, etc., including units of Unit Trust of India or in any other securities as may be required from time to time.

18. To lend or advance money or goods or give credit to such persons, firms or companies and on such terms as may seem expedient and in particular to customers, agents and others having dealings with the Company and guarantee the performance of contracts by such persons, firms or companies.
19. To sell or in any other manner deal with or dispose of the undertaking or property of the Company or any part thereof for such contribution as the Company may, think fit, and in particular for shares, debentures or other securities of any other company having objects altogether or in part similar to those of the Company.
20. To establish or support or aid in establishment or support of associations, institutions, funds, trusts and conveniences calculated to benefit the Directors or Ex-Directors or the employees or ex-employees of the Company or the dependants of such persons and to grant pensions and allowances and to subscribe or guarantee money for charitable or benevolent objects for any exhibition or for any public, general or useful object.
21. To remunerate any person or company for services rendered or to be rendered or in placing or assisting to place or guaranteeing the placing of any debentures, debenture stock or other securities of the Company, or in or about the formation or promotion of the Company or the conduct of its business.
22. To carry on the business of manufacturers of and / or dealers in all other articles and commodities akin to or connected with any of the business mentioned herein before and also to carry on any other trade or business whether manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the company's properties or rights.
23. To carry on business as merchants, traders, commission agents, brokers, adatias, buyers, sellers, importers, exporters, dealers, collectors, manufacturers or in any other capacity in India and elsewhere and to import, export, buy, sell, barter, exchange, pledge, mortgage advance upon or otherwise trade and deal in goods, produce articles and merchandise of any kind whatsoever dealt with or required for the said business of the Company.
24. To act as buying and selling agents of any company, firm or persons and to do and perform all and in singular the duties, services and offices which the buying and Selling Agents, usually do and perform and to transact all kinds of agency business and to undertake and to become bound by conditions of any agreement or agreements entered into for any of the purposes aforesaid.
25. To apply for and take out, purchase or otherwise acquire by way of licence or otherwise any patents, patent rights, or inventions, trade mark rights, copy rights or secret processes technical aid or knowhow which may be useful for the Company's objects and to grant licences to use the same.
26. To collect, process, fabricate, dispose of and deal in all bye products and slag from the main and subsidiary processes and manufacturers of the Company and to manufacture, process and deal in all products, industrial, consumer or otherwise.

27. To promote industrial finance, deposit or lend money, securities and properties to or with any company body corporate, firm, person or association whether falling under the same management or otherwise, in accordance with and to the extent permissible under the provisions of the Companies Act, 2013, with or without security and on such terms as may be determined from time to time. However, the Company shall not carry on the business of Banking as defined under the Banking Regulation Act, 1949; and to carry on and undertake the business of finance, investment and trading, hire purchase, leasing and to finance lease operations of all kinds, purchasing, selling, hiring or letting on hire of all kinds of plant and machinery and equipment that the Company may think fit and to assist in financing operations of all and every kind of description of hire purchase or deferred payment or similar transactions and to subsidise finance or assist in subsidising or financing the sale and maintenance of any goods, articles, or commodities of all and every kind of description upon any terms whatsoever and to purchase or otherwise deal in all forms of immovable and movable property including lands and buildings, plant and machinery. Equipment, ships, aircraft, automobiles computers and all consumer, commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including release thereof regardless of whether the property purchase and lease be new and/or used.

(IV) The liability of the Members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.\*\*

(V) The Share Capital of the Company is Rs.13,60,00,000/- (Rupees Thirteen Crore Sixty Lakhs Only) divided into 2,72,00,000 (Two Crore Seventy Two Lakhs) Equity shares of face value Rs.5/- (Rupees Five Only) each capable of being increased or reduced in accordance with the Company's regulations and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the Capital for the time being into several classes and to attach thereto respectively, preferential, deferred, qualified, or special rights attached thereto, such rights shall not (except where the terms of issue otherwise provide) be alterable or dealt with otherwise than pursuant to the provisions contained in the Articles of Association of the Company.# \*\*\*

We, the several persons whose names and addresses are subscribed hereto are desirous of being formed into a Company in pursuance of the Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

# substituted by the Ordinary Resolution of Shareholders in the Annual General Meeting held on July 30, 2016.

\*\* Amended by the Special Resolution of Shareholders in the Extra-ordinary General Meeting (Postal Ballot) held on March 25, 2019.

\*\*\* Amended pursuant to Composite Scheme of Arrangement approved by Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide Order dated April 07, 2025 (Certified Copy received on April 22, 2025).

Name, Addresses, Description and occupation of Subscribers	No. of Shares taken by each Subscriber	Signature of Witnesses, their addresses, descriptions and occupation
<p>Dr. VINOD DAHYALAL SHAH S/o. DahyalalPurshotamdas Shah Occupation: Chemical Engineer Address: 7, Sanjukta. S. V. Road, Bandra, Bombay 400 050.</p> <p>Sd/-</p>	<p>One Hundred Equity Shares</p>	<p>Kastury Virendra Narasimhan Chartered Accountant S/o. Kastury Laxmi Narasimhan Ghia Building 121, Princess Street, Bombay 400 002 Sd/-</p>
<p>CHINUBHAI DAHYALAL SHAH S/o. DahyalalPurshotamdas Shah Occupation: Business Address: 17, Divine Grace Society, 139-C, Prabhat Colony, Santacruz (East), Bombay 400 055.</p> <p>Sd/-</p>	<p>One Hundred Equity Shares</p>	
	<p>Two Hundred Equity Shares</p>	

Dated at Bombay this 10<sup>th</sup> day of March, 1975

THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
**ARTICLES OF ASSOCIATION\***  
OF  
**CHEMBOND MATERIAL TECHNOLOGIES LIMITED\*\***  
(Incorporated under Companies Act, 1956)

\*(These Regulations were adopted by resolution of the Shareholders of the Company passed in Extra Ordinary General Meeting held on 26<sup>th</sup> March, 2019 in substitution for and to the exclusion of the regulations contained in the existing Articles of Association of the Company.)

\*\* (There is change in name under this regulation pursuant to Composite Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide Order dated April 7, 2025 (Certified Copy received on April 22, 2025))

1.	<p>i) The Regulations contained in "Table F" in the "Schedule I" to the Companies Act, 2013, as are applicable to a public company as defined in the Companies Act, 2013 shall apply to this Company except in so far as they are not substituted, modified, varied, amended or altered by these Articles.</p> <p>ii) The Regulations for the management of the Company and for the observance of the members thereof and their representatives, shall, subject to any exercise of the statutory power of the Company with reference to the repeal or alteration of, or addition to, or substitution of its regulations by special resolution, as prescribed by the Companies Act, 2013 be such as are contained in these Articles.</p> <p>iii) Any power conferred on the Board of Directors by virtue of resolutions passed in the past by the shareholders pursuant to and in accordance with the provisions of the Companies Act, 1956 shall continue to be available to the Board of Directors but subject to the provisions of the Companies Act, 2013.</p> <p>iv) Unless the context otherwise requires, words or expressions contained in these Regulations shall have the same meaning as in the Companies Act, 2013 or any statutory modification thereof enforced from time to time.</p>	<i>Applicability of Table F</i>
2.	<p><b>(A) Definitions</b></p> <p>In the interpretation of these Articles, unless repugnant to the subject or context. All terms not defined herein shall have the same meaning as attributed to them in the Act.</p> <p>"The Act" means "the Companies Act, 2013" Rules made thereunder, statutory amendment thereof which may continue to be applicable to the Company or replacement thereof and including any circulars, notifications and clarifications issued by the relevant authority under the Companies Act, 2013 and applicable and subsisting provisions of the Companies Act, 1956, if any, along with the relevant Rules made thereunder. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980, statutory amendment thereof and SEBI Regulations as applicable.</p>	<p><i>Definitions and Interpretations</i></p> <p><i>"The Act"</i></p>

	<p>"Annual General Meeting" means a General Meeting of the Members held in accordance with the provisions of Section 96 of the Act.</p> <p>"Articles" or "These Articles" means Articles of Association as adopted or as altered from time to time in accordance with the provisions of these Articles and the Act.</p> <p>"Auditors" means and includes those persons appointed as such under Section 139 of the Act for the time being by the Company.</p> <p>"Beneficial Owner" means a person or persons whose name is recorded as such with a Depository and/or shall have the meaning assigned thereto in Section 2 of the Depositories Act.</p> <p>"Board" or "Board of Directors" means the Directors, for the time being of the Company or as the case may be, a meeting of the Directors, duly called and constituted, the Directors assembled at a Board, or the Directors of the Company collectively.</p> <p>"Business" means the manufacture, marketing, promotion, sale and distribution of Products by the Company to customers in India or abroad.</p> <p>"Capital" means authorised capital for the time being of the Company as shown in the Memorandum of the Company.</p> <p>"The Chairman" means such person as is nominated or appointed as the Chairman of the Board of Directors of the Company.</p> <p>"Company" or "this Company" means Chembond Material Technologies Limited.</p> <p>"Committee" means Committee of the Board of Directors of the Company.</p> <p>"Depositories Act" shall mean the Depositories Act, 1996 and includes any statutory modification thereto from time to time.</p> <p>"Depository" means a company formed and registered under the relevant applicable law and which has been granted a Certificate of Registration to act as a Depository under the Securities and Exchange Board of India Act, 1992 and as defined in the Depositories Act, 1996.</p> <p>"Debenture" includes debenture-stock, bonds or any other instrument of a company evidencing a debt, whether constituting a charge on the assets of the company or not;</p> <p>"Director" shall mean a Director of the Company.</p>	<p><i>"Annual General Meeting"</i></p> <p><i>"Articles" or "These Articles"</i></p> <p><i>"Auditors"</i></p> <p><i>"Beneficial Owner"</i></p> <p><i>"Board" or "Board of Directors"</i></p> <p><i>"Business"</i></p> <p><i>"Capital"</i></p> <p><i>"The Chairman"</i></p> <p><i>"Company" or "this Company"</i></p> <p><i>"Committee"</i></p> <p><i>"Depositories Act"</i></p> <p><i>"Depository"</i></p> <p><i>"Debenture"</i></p> <p><i>"Director"</i></p> <p><i>"Key Managerial Personnel"</i></p>
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	<p>“Key Managerial Personnel” means the: i. Chief Executive Officer or the Managing Director or the Manager; ii. The Company Secretary; iii. The Whole-time Director; iv. Such other officer as may be prescribed by the Board.</p> <p>"Dividend" includes any interim dividend.</p> <p>“Extra-Ordinary General Meeting” means any General Meeting of the Members of the Company other than Annual General Meeting duly called and constituted.</p> <p>“Financial Year” means, the period beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.</p> <p>“Member” means a duly registered holder of the shares of the Company from time to time, including a subscriber to the Memorandum of Association of the Company and the beneficial owners.</p> <p>“Memorandum” means the Memorandum of Association of the Company, as amended from time to time.</p> <p>“Month” means a calendar month.</p> <p>“Office” means the registered office for the time being of the Company.</p> <p>“Persons” includes corporations, firms as well as individuals</p> <p>“Register of Members” means the Register of members to be kept pursuant to the Act including the Register and Index of beneficial owners maintained by Depositories.</p> <p>“Registrar” means Registrar of Companies of the State in which the office of the Company is for the time being situated.</p> <p>"Share" means share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.</p> <p>“Seal” shall mean the common seal(s) for the time being of the Company, if any.</p> <p>“SEBI” means Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.</p> <p>“SEBI Regulations” means Securities &amp; Exchange Board of India Act 1992 and the Regulations and Guidelines made thereunder.</p> <p>“Written” and “in writing” includes printing, lithography, computer printing and other modes of representing or reproducing words in a visible form.</p> <p><b>(B) Interpretations</b></p>	<p><i>“Dividend”</i></p> <p><i>“Extra-Ordinary General Meeting”</i></p> <p><i>“Financial Year”</i></p> <p><i>“Member”</i></p> <p><i>“Memorandum”</i></p> <p><i>“Month”</i></p> <p><i>“Office”</i></p> <p><i>“Persons”</i></p> <p><i>“Register of Members”</i></p> <p><i>“Registrar”</i></p> <p><i>“Share”</i></p> <p><i>“Seal”</i></p> <p><i>“SEBI”</i></p> <p><i>“SEBI Regulations”</i></p> <p><i>“Written” and “in writing”</i></p>
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	<p>i. Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles as the Act.</p> <p>ii. Words importing the masculine gender also include the feminine gender.</p> <p>iii. The headings and marginal notes used in these Articles shall not affect the construction hereof.</p> <p>iv. Words importing the singular include the plural and vice versa.</p> <p>v. Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.</p> <p>vi. Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.</p> <p>The Company shall, on being so required by a Member, send to him within seven days of the requirement and subject to the payment of a fee of Rs. 100/- or such other fee as may be specified in the Rules for each copy of the documents specified in Section 17 of the said Act.</p>	
3.	The Authorised Share Capital of the Company shall be in accordance with Clause V of the Memorandum of Association of the Company with such rights, privileges and conditions respectively attached thereto as may be, from time to time conferred by the Regulations of the Company and the Company may in general meeting from time to time increase or reduce its capital and divide the shares in the capital for the time being into several classes, consolidate or sub-divide the shares and attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by these Articles and the relevant laws.	<i>Share Capital - Amount of Capital</i>
4.	Notwithstanding anything contained above, but subject to the provisions of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company, convert such debentures or loans into shares or subscribe for shares in the Company.	<i>Conversion of loan into shares</i>
5.	Except so far as otherwise provided by the conditions of issue or by these Articles, any capital shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	<i>New shares part of the existing capital</i>
6.	Subject to the provisions of the Act and these Articles, the shares in the Capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion	<i>Issue, allot or otherwise dispose of shares</i>

	and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.	
7.	<p>a. Subject to the provisions of Section 55 of the Act, preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.</p> <p>b. Subject to the provisions of the Act, the Company shall have the power to issue Convertible Preference Shares which are, or at the option of the Company, be liable to be converted into equity shares in the Capital of the company in such manner and on such terms and conditions as the resolution of the Company in General Meeting sanctioning the issue shall prescribe.</p>	<p><i>Issue of Preference shares</i></p> <p><i>Convertible Preference Shares</i></p>
8.	Subject to the provisions of Section 2(88), 54 and other applicable provisions of the Act and the rules made thereunder the Company may issue sweat equity shares if such issue is authorised by a special resolution passed by the Company in the general meeting. The Company may also issue shares to employees including its working Directors, under ESOP or any other scheme, if authorised by a special resolution of the Company in general meeting subject to the provisions of the Act.	<i>Sweat Equity/ Employees Stock Option Scheme (ESOP)</i>
9.	<p>A. Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—</p> <p>I) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid-up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:</p> <p>a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;</p> <p>b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in Article 9(A)(I)(a) above shall contain a statement of this right;</p> <p>c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered or renounces in favour of any other party, the Board may dispose of the shares declined or renounced in such manner as the Board may deem fit which is not disadvantageous to the Shareholders and the Company. Provided that any instruction or request regarding renouncement may be accepted or denied by the Board at its discretion.</p> <p>II) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or</p>	<i>Further Issue of Capital</i>

	<p>III) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in sub-articles (i) or Article (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules and such other conditions, as may be prescribed under Law</p> <p>B. Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company.</p> <p>Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.</p> <p>C. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of right issue, bonus issue, sweat equity, shares with differential voting rights or in any other manner that the Board may deem fit, preferential offer, private placement, subject to and in accordance with the provisions of the Act and the Rules.</p>	
10.	<p>Subject to the provisions of the Companies Act, 2013, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed the limits as may be specified in the Act. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.</p> <p>The Company may pay a reasonable sum of brokerage in accordance with the Companies Act, 2013.</p>	<i>Underwriting and Brokerage</i>
11.	<p>The Company shall be entitled to dematerialise all or any of its existing Shares, rematerialize all or any of its Shares held in the Depositories and / or to offer its fresh Shares or buyback it's Shares in a dematerialized form pursuant to the Depositories Act, 1996 and the Relevant Rules, if any..</p>	<i>Dematerialisation of Securities</i>
12.	<p>(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>(ii) Save as otherwise provided in (i) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a Member of the Company.</p>	<i>Rights of Depositories and Beneficial Owners</i>

	(iv)The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.	
13.	Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or on storage devices.	<i>Service of Documents</i>
14.	Nothing contained in Section 56 of the Act or these Articles shall apply to either a transfer or transmission of securities effected by a transferor and transferee if both are beneficial owners in the records of a Depository.	<i>Transfer of Securities</i>
15.	Notwithstanding anything contained in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.	<i>Allotment of Securities dealt with in a Depository</i>
16.	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.	<i>Distinctive numbers of Securities held in a Depository</i>
17.	The Register and Index of beneficial owners maintained by a Depository under Depositories Act shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.	<i>Register and Index of beneficial owners</i>
18.	The Company shall have a first and paramount lien upon all the shares excluding fully paid up shares registered in the name of each member (whether solely or jointly with others) and upon the proceeds of the sale thereof for his debts, liabilities or engagements solely or jointly with any other person to or with the Company whether the period for payment, fulfillment or discharge thereof shall have actually arrived or not and no equitable interest in any shares shall be created except upon the footing and condition that these presents have full effect, and such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall not operate as a waiver of the Company's lien, if any, on such shares. No Shareholder shall exercise any voting right in respect of any shares on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien. Subject to the Act and these Articles, the right of lien under this Article shall extend to other Securities. Fully paid-up share shall be free from all lien and in the case of partly paid-up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.	<i>Company's Lien on Shares</i>
19.	a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on	<i>Calls</i>

him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

(b) 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(d) The joint holder of a share shall be jointly and severally liable to pay all installments and calls due in respect thereof.

(e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

(g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove

	<p>that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p> <p>(i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.</p> <p>(j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.</p> <p>(k) No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.</p> <p>(l) The provisions of these Articles shall <i>mutatis mutandis</i> apply to the calls on other securities of the Company.</p>	
20.	Securities of the Company, subject to the provisions of the Act, are freely transferable.	<i>Securities transferable</i>
21.	The Company shall record in the Register of Members, Register of Debenture-holders, Register of Any other Security holders, fairly and distinctly particulars of every transfer or transmission of any share, Debenture or other Security held in a material form.	<i>Register of Members, Register of Debenture-holders, Register of Any other Security holders</i>
22.	Subject to the provisions of the Act the Board may, on behalf of the Company and at its own absolute and uncontrolled discretion decline to register or acknowledge any transfer of shares.	<i>Directors may refuse to register transfer</i>

	Provided that, registration of a transfer of shares shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons is indebted to the Company on any account whatsoever, except a lien on the shares.	
23.	No share shall in any circumstances be transferred to any infant, minor, insolvent or person of unsound mind, except fully paid shares through legal guardian.	<i>Transfer to infant, minor, insolvent or person of unsound mind</i>
24.	If the Company refuses in pursuance of any power of the Company under these Articles or otherwise to register the transfer of or the transmission by operation of law of the right to any securities or interest of a member in the Company, it shall within a period of 30 (thirty) days from the date on which the instrument of transfer or intimation of transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferor and transferee or to the person giving intimation of such transmission, as the case may be, giving reason for such refusal.	<i>Notice of refusal</i>
25.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit. The provisions of these Articles shall <i>mutatis mutandis</i> apply to the issue, allotment, forfeiture, transfer and transmission of other securities of the Company.	<i>Company not liable for disregard of a notice prohibiting registration of transfer</i>
26.	The provisions of these Articles relating to transfer or transmission of shares shall apply <i>mutatis mutandis</i> to any other securities of the Company.	<i>Transfer or transmission of other securities</i>
27.	No fee shall be charged by the Company for registration of transfer or transmission of any securities in the Company.	<i>Transfer fee</i>
28.	Subject to the provisions of Articles and the Act, any person becoming entitled to or to transfer a share in consequence of death, lunacy, bankruptcy or insolvency of any member or by operation of law, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may with the consent of the Board (which they shall not be under any obligation to give), be registered as a member in respect of such shares or may, subject to the regulations as to transfer here in above contained, transfer such shares. This Article is hereinafter referred to as "The Transmission Article".	<i>As to transfer of shares of deceased or insolvent member</i>
29.	a. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any	<i>Forfeiture of shares</i>

part of the call or installment remains unpaid or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, serve a notice on him or his legal representatives requiring payment of the same, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

b. The notice aforesaid shall—

i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

c. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act.

The Company shall not forfeit unclaimed dividends before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

d. A forfeited share shall be deemed to be property of the Company and may be—  
i. Sold, re-issued, re-allotted or otherwise disposed off on such terms and in such manner as the Board thinks fit.

ii. At any time before a sale or disposal as aforesaid, the Board may cancel / annul the forfeiture on such terms as it thinks fit.

e. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

f.(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

	<p>(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share</p> <p>g. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>	
30.	<p>(a) Subject to these Articles and the provisions of Section 61 of the Act, the company may, by ordinary resolution,—</p> <p>(i) increase its Share Capital by such sum, to be divided into shares of such amount, as may be specified in the resolution;</p> <p>(ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</p> <p>(iii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</p> <p>(iv) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</p> <p>(v) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act.</p> <p>(b) Where shares are converted into stock,—</p> <p>(i) the holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination.</p> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <p>(ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p>	<i>Alteration of Capital</i>

	(iii) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.	
	Subject to compliance with applicable provisions of the Act and rules framed thereunder the Company shall have power to issue depository receipts in any foreign country.	<i>Issue of Depository Receipts</i>
31.	The Company in General Meeting may, upon the recommendation of the Board, resolve that, any moneys, investment or other assets forming part of the undivided profits of the Company standing to the credit of any of the Company's reserve accounts including capital reserves, and revaluation reserve or the credit of Profit and Loss Account including the premium received on the issue of shares standing to the credit of the share premium account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend. The resolution shall state the mode of distribution and its application and terms and conditions.	<i>Capitalisation of Profits</i>
32.	The Company in General Meeting may, upon the recommendation of the Board, that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.	<i>Surplus moneys</i>
33.	For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution, as it thinks fit, expedient and in particular may issue fractional certificates or make payment in cash or otherwise as it thinks fit.	<i>Authority to Board</i>
34.	Notwithstanding anything contained in these articles but subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities on such terms and conditions, to the extent and in the manner as the special resolution of the Company in general meeting may prescribe and authorise.	<i>Buy- back</i>
35.	The Company may by special resolution, in accordance with the provisions of the Act and subject to necessary approvals, may: i) reduce and extinguish its share capital or liability on shares not paid up; ii) any capital redemption reserve account; iii) any share premium account; iv) any other reserve in the nature of share capital.	<i>Reduction of Capital</i>
36.	(a) In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings.  (b) Further, subject to the provisions of the Act, not more than 15 (fifteen) months' gap shall elapse between the date of one Annual General Meeting and that of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings. Nothing contained in the foregoing provisions	<i>Annual General Meeting</i>

	<p>shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held.</p> <p>(c) Every Annual General Meeting shall be called during business hours as specified under the Act or Rules on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.</p> <p>(d) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.</p>	
37.	Not less than 21 (twenty-one) days' clear notice, excluding the day on which notice is served or deemed to be served, of every general meeting shall be given in accordance with the provisions of the Act.	<i>Notice</i>
38.	A General Meeting may be called after giving shorter notice, if, not less than 95% of the Members entitled to vote at such meeting give consent in writing or by electronic mode.	<i>Shorter notice</i>
39.	<p>(a) The Board may, whenever it thinks fit, call an Extra-Ordinary General Meeting or it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carrying the right of voting in regard to the matter in respect of which the requisition has been made.</p> <p>(b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.</p> <p>(c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty - one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.</p> <p>(d) The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions under the Act read with the Companies (Management and Administration) Rules, 2014.</p>	<p><i>Power to the Board to call Extra-Ordinary General Meeting</i></p> <p><i>Valid Requisition</i></p> <p><i>Convening of general meeting on requisition</i></p>

40.	<p>(a) The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting, he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the members present shall elect one of their members to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.</p> <p>(b) The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situated, whereas other general meetings may be held at any place within India but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p>	<p><i>Chairman of General Meetings</i></p> <p><i>Adjournment of Meeting</i></p>
41.	<p>(1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>(2) Each pages of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall be the evidence of the proceedings recorded therein.</p> <p>(5) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting</p> <p>(a) is or could reasonably be regarded as defamatory of any person, or</p> <p>(b) is irrelevant or immaterial to the proceedings, or</p> <p>(c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.</p> <p>(6) The book containing the minutes of proceedings of general meeting shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.</p> <p>Subject to the provisions of the Act, these Articles, the Board of Directors shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do.</p>	<p><i>Minutes of the meeting</i></p>

42.	<p>(1) If default is made in holding an Annual General Meeting in accordance with Section 96 of the Act, the Tribunal and/or any other Authority delegated/constituted for the time being may, notwithstanding anything contained in the Act or in the Articles of the Company, on the application of any member of the Company, call, or direct the calling of, an Annual General Meeting of the Company, and give such ancillary or consequential directions as the Tribunal and/or any other Authority delegated/constituted for the time being thinks expedient.</p> <p>(2) A General Meeting held in pursuance of clause (1) shall subject to directions of the Tribunal and/or any other Authority delegated/constituted for the time being, be deemed to be an Annual General Meeting of the Company under the Act.</p>	<i>Power of Tribunal to call general meeting</i>
43.	<p>Subject to the provisions of Section 110 of the Act, the Company may transact such business as may be prescribed by the Central Government to be transacted only by means of Postal ballot and any other business as may be permitted or deemed appropriate by the Board of Directors, by means of a postal ballot in the prescribed manner instead of transacting such business at a general meeting.</p>	<i>Postal ballot</i>
44.	<p>(1) Subject to any rights or restrictions for the time being attached to any class or classes of shares –</p> <p>(a) on a show of hands, every member present in person shall have one vote; and</p> <p>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.</p> <p>(2) A member may exercise his vote at a meeting by electronic means in accordance with the Acts &amp; Rules made thereunder and shall vote only once.</p> <p>(3) Votes casted by the shareholders through e-voting shall be conclusive. A poll (before or on the declaration of the result of the e-voting) may be demanded/ordered to be taken by the Chairman of the Meeting on his own motion, and/or may be ordered to be taken by him on a demand made in that behalf by members present in person or proxy in accordance with the provisions of Section 109 of the Act, provided that such members present in person or proxy has not voted on all or certain specific resolution through e-voting method. Unless a poll is so demanded, a declaration by the Chairman that the resolution, through e-voting has been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.</p> <p>(b) No Member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by representative duly authorized under section 113 of the Act in which case such proxy or representative may vote on a show of hands as if he were a Member of the Company.</p> <p>(c) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or</p>	<p><i>Voting rights by Members</i></p> <p><i>No voting by Proxy on show of hands</i></p> <p><i>Vote by Members of unsound mind and minors</i></p>

	<p>guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.</p> <p>(d) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to transfer any share may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.</p> <p>(e) If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain for such time as the Directors may determine, in the custody of the Company, if embracing other objects, a copy thereof examined with the original, shall be delivered to the Company to remain in custody of the Company.</p>	<p><i>Votes in respect of shares of deceased or insolvent members etc.</i></p> <p><i>Custody of the instrument</i></p>
	<p>(f) A vote cast in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or any power of attorney under which such proxy was signed or the transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death, revocation of transfer shall have been received at the registered office of the Company before the meeting.</p> <p>(g) No Objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.</p> <p>(h) The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll be the sole judge of the validity of every vote tendered at such poll.</p>	<p><i>Validity of votes given by proxy notwithstanding death of members etc.,</i></p> <p><i>Time for objections for votes</i></p>
	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<i>E-Voting</i>
	<b>BOARD OF DIRECTORS</b>	
45.	<p>Until otherwise determined by the Company in general meeting and subject to the provisions of the Act, number of Directors shall not be less than 3 (three) and not more than 15 (fifteen) including all kinds of Directors.</p> <p>The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another Director.</p>	<i>Number of Directors</i>
46.	<p>The First Directors of the Company were:</p> <ol style="list-style-type: none"> <li>1. Dr. Vinod Dahyalal Shah</li> <li>2. Mr. Sameer V. Shah</li> <li>3. Mr. Nirmal V. Shah</li> </ol>	<i>First Directors</i>
47.	Subjects to the provisions of Section 161 of the Act, the Board of Directors shall have power at any time to appoint any qualified person as an Additional Director but so that the total number of Directors shall not at any time exceed the maximum	<i>Directors power to add to the Board</i>

	<p>fixed under these Articles.</p> <p>Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.</p>	
48.	<p>(a) Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or any financial Institutions, or any person or persons or any body corporate (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company, the Board shall have, subject to the provisions of Section 152 and 161 of the Act, the power to agree that such appointer shall have and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a Notice in writing addressed to the Company, one or more Directors on the Board, for such period and upon such conditions as may be mentioned in the agreement or contract. The Board may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer, may appoint another or others in his or their place and also fill any vacancy which may occur as a result or any Director or Directors appointed or nominated under this Articles shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the other Directors of the Company, including payment of remuneration and traveling expenses to such Director(s) as may be agreed by the Company with the appointer. A Director appointed under this Article is herein referred as “Nominee Director” and the term “Nominee Director” means any director for time being in office under this Article.</p> <p>(b) Any Trust Deed for securing debenture or debenture-stock, if so arranged may provide for the appointment from time to time by the trustees thereof or by the holders of the debentures or debenture-stock of some person to be a Director of the Company and may empower such trustees or holders of debentures or debentures-stock from time to time to remove any Director so appointed. A Director appointed under this Article is herein referred to as "the Debenture Trustee’s Director” and that the term 'Debenture Trustee’s Director' means a Director for the time being in office under this Article. A Debenture Trustee’s Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company, but shall automatically cease and vacate office as a Director if and when the Debentures are fully discharged.</p>	<p><i>Nominee Director</i></p> <p><i>Debenture Trustee’s Director</i></p>
49.	<p>Subject to the provisions of Section 161(2) of the Act, the Board may appoint any person as an Alternate Director for a Director (hereinafter called the "Original Director") during his absence for a period of not less than 3 (three) months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.</p>	<p><i>Appointment of Alternate Director</i></p>
50.	<p>(a) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.</p>	<p><i>Directors power to fill casual vacancies</i></p>

	(b) The Director so appointed shall hold the office only up to the date up to which the Director in whose place he is appointed would have held office, if it has not been vacated as aforesaid.	
51.	The Company shall appoint such number of Independent Directors on the Board of the Company as may be prescribed under the provisions of the Act or SEBI Regulations or any other Laws which may be applicable for the time being in force and such appointments shall be subject to the requirements of and in accordance with the provisions of Section 149 read with Schedule IV of the Act and SEBI Regulations.	<i>Independent directors</i>
52.	Directors of the company shall not be liable to hold any qualification shares of the Company.	<i>Qualification shares by Director</i>
	<b>MANAGERIAL REMUNERATION</b>	
53.	<p>i) Subject to the provisions of the Act, the Rules, Law including the provisions of the SEBI Regulations as applicable, a Managing Director or Director who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment, be deemed to accrue from day-to-day, or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.</p> <p>ii) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director of the Company may be paid a remuneration either;</p> <p>a) by way of monthly payments; or b) by way of commission, if the Company by a Resolution authorizes such payment.</p> <p>iii) Each Director (excluding Whole-Time Director or Managing Director, if any) may be paid such sum as may be decided by the Board subject to the limits prescribed under the Act or the Rules made there under as fees for attending each meeting of the Board or Committee thereof and Director shall be reimbursed the expenses incurred by him for attending such meetings or in connection with the business of the Company.</p> <p>iv) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.</p>	<p><i>Remuneration of Managing/whole time Director</i></p> <p><i>Remuneration of Directors</i></p>
54.	If any Director be called upon to perform extra services or special exertions or efforts (which expression shall also include work done by a Director as a Member of any Committee formed by the Directors) the Board may arrange to pay remuneration to such Director for his special exertions or efforts, or services either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.	<i>Special remuneration to Director performing extra service</i>
	<b>VACATION OF OFFICE</b>	

55.	<p>A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in Section 164 and other relevant provisions of the Act. Further, on and after being appointed as a Director, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act.</p> <p>Subject to the applicable provisions of the Act, the resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.</p>	<i>Vacation of office by Director</i>
56.	<p>Subject to the provisions of the Act, the Director including the Managing Director shall not be disqualified from his or their office as such by reason of contracting with the Company or either as vendor, purchaser, lender, agent, broker, lessor or lessee or otherwise, nor shall any such contract arrangement entered into by or on behalf of the Company with any Director, or with any Company or partnership firm in which any Director shall be a Director, member or partner or otherwise interested in any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.</p>	<i>Directors may contract with the Company</i>
57.	<p>Director may become a Director of any Company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Sections 184, 188 of the Act may be applicable.</p> <p>The Company has the power either to nominate Directors in any other Companies in which it holds shares or to exercise its voting powers in a manner which would enable the Company to appoint Directors of its choice.</p>	<p><i>Director may be Director of Companies promoted by the Company</i></p> <p><i>Power to nominate Directors</i></p>
<b>PROCEEDINGS OF THE BOARD</b>		
58.	<p>The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. The Board of Directors shall hold their first meeting within 30 (thirty) days from the date of incorporation and thereafter hold minimum number of 4(four) meetings in every year and not more than 120 (one hundred twenty) days shall intervene between two consecutive meetings.</p>	<i>Meetings of Board</i>
59.	<p>The Secretary, as directed by a Director, or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.</p>	<i>Convening Board Meeting</i>
60.	<p>Not less than 7 (seven) days' notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India at his usual address in India and such notice shall be sent by hand delivery or by post or by electronic means or any other prescribed mode. A meeting may be called in urgent cases by giving shorter notice with the consent of majority of the directors on the Board.</p>	<i>Notice of the Board Meeting</i>
61.	<p>(a) The Chairman of the Company shall be the Chairman at meetings of the Board. In his absence, the Board may elect a Chairman of its meetings and determine the period for which he is to hold office.</p> <p>(b) The Chairman shall preside over all meetings of the Directors, if present. If at any meeting of Directors, the Chairman is not present at the time appointed for holding the same, then the Directors shall choose one among them present to</p>	<p><i>Chairman</i></p> <p><i>Chairman to preside.</i></p>

	preside over the meeting.	
62.	In case of an equality of votes, the Chairman shall have a casting vote.	<i>Casting vote</i>
63.	A director may participate in a meeting of the Board either in person or through video conference or other audio-visual modes as may be prescribed under the Act. The matter as may be prescribed by the Central Government shall not be dealt with in a meeting through video conference or other audio-visual modes.	<i>Participation of Directors in a meetings.</i>
64.	<p>(a) Subject to the provisions of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one third being rounded off as one), or two Directors whichever is higher and the directors participating by video conferencing or by other permitted means shall also be counted for the purposes of this Article.</p> <p>Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested, being not less than two, shall be the quorum during such time.</p> <p>Explanation: The expressions “interested Director” shall have the meanings given in Section 184(2) of the Act and the expression “total strength” shall have the meaning as given in Section 174 of the Act.</p> <p>(b) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present, shall be competent to exercise all or any of the authority, powers and discretion which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally and all questions arising at any meeting of the Board shall be decided by a majority of Votes.</p> <p>No resolution made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that resolution had not been made.</p> <p>Except as otherwise provided in these Articles and the provisions of Act, all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.</p>	<p><i>Quorum of the Meeting</i></p> <p><i>Powers of the Board Meeting</i></p> <p><i>Voting Power of Director</i></p>
65.	<p>(a) Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s) or the Whole Time Director(s) or the Executive Director(s) or the Chief Executive Officer of the Company. The Managing Director(s) or the Whole Time Director(s) or the Executive Director(s) or the Chief Executive Officer of the Company as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.</p> <p>(b) Subject to the provisions of the Act, the Board may delegate any of their powers to Committees of the Board consisting of such member or members of its body as it thinks fit. The Board may also constitute any Committee consisting of one or more of the Directors along with one or more of the officers of the Company with such powers, duties and obligations as the Board may think fit and determine from time to time. It may from time to time revoke and discharge any such</p>	<p><i>Directors may appoint Committee</i></p> <p><i>Directors may appoint Committee</i></p>

	<p>Committees of the Board either wholly or in part and either as to persons or purposes. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.</p> <p>(c) A Committee may elect a Chairman of its meetings unless the Board, while constituting a Committee, has appointed a Chairman of such Committee.</p> <p>(d) If no such Chairman is elected, or if at any committee meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairman of the committee meeting.</p>	<i>Chairman of the Committee</i>
66.	<p>A resolution not being a resolution required by the said Act or otherwise to be passed at a meeting of the Directors, may be passed without any meeting of the Directors or of a committee of Directors provided that the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee as the case may be, at their addresses registered with the Company in India, by hand delivery or by post or courier or through electronic means as permissible under the relevant act and rules made there under and has been approved, in writing, signed, whether manually or by secured electronic mode, by a majority of the members of Board of Directors or of a committee thereof, as are entitled to vote on the resolution(s) pursuant to and in accordance with the provisions of Section 175 of the Act.</p>	<i>Resolution by Circulation</i>
67.	<p>All acts done by any meeting of the Board or a Committee of the Board or by the person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or person acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and has not vacated office or his appointment has not been terminated.</p> <p>Provided that nothing in this Article shall be deemed to give validity of acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.</p>	<i>Acts of Board or Committee valid notwithstanding invalid appointment</i>
68.	<p>The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as are not by the Act or any other Law or by the Memorandum or by these Articles, required to be exercised by the Company in General Meeting subject nevertheless to the provisions of these Articles, the Act or any other law and to such regulations as may be prescribed by the Company in General Meeting, but no resolution of the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that resolution had not been made, provided that the powers specified to be exercised only at the meeting by the Act, shall be exercised only at meetings of the Board unless the same be delegated to the extent therein stated.</p>	<i>Powers of Directors</i>
69.	<p>Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board :</p> <p>(I) accept or renew deposits from Shareholders;</p> <p>(II) borrow money by way of issuance of Debentures ;</p>	<i>Power to borrow</i>

	<p>(III) borrow money otherwise than on Debentures;  (IV) accept deposits from Shareholders either in advance of calls or otherwise; and  (V) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.</p> <p>Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company, its free reserves and share premium (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.</p> <p>Subject to the provisions of Section 179 of the Act, the Board may from time to time, at its discretion, by a resolution passed at a meeting of the Board accept deposits, and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the business of the Company.</p> <p>The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or Managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.</p> <p>Subject to provisions of these Articles and applicable laws, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, including by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.</p> <p>To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.</p>	
70.	<p>Subject to the provisions of these Articles, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit by a resolution passed at a meeting of the Board (not by resolution by circulation) and in particular by the issue of bonds, debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, and the debentures, debenture-stock and other securities may be assignable free from any equities between the Company and the person to who the same may be issued.</p>	<i>The payment or repayment of moneys borrowed</i>
71.	<p>(a) The Company shall have the power to issue convertible/ optionally convertible/ non-convertible debentures subject to the provisions of the Act and other applicable law. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment</p>	<i>Debentures</i>

	<p>of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of shares shall not be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act.</p> <p>(b) Any debenture, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares and attending (but not voting) at general meetings, appointment of Directors or otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting accorded by a special resolution.</p>	<i>Terms of issue of Debentures</i>
72.	The Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon and shall be entitled to receive such payments as consideration for the giving of any such guarantee as may be determined by the Board of Directors with power to them to indemnify the guarantors from or against any liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets or otherwise.	<i>Indemnity may be given</i>
73.	The Company can borrow from the Financial Institutions or banks subject to their right of conversion of their loans into Equity Shares of the Company with right to rights shares, bonus shares or dividend thereof.	<i>Conversion Clause</i>
74.	<p>i) The Board may appoint chief executive officer, manager, company secretary or chief financial officer on such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p>	<p><i>Key managerial personnel</i></p> <p><i>Board to appoint key managerial personnel.</i></p>
75.	<p>Subject to the provisions of the Act, the Board of Directors may from time to time, appoint one or more of its members to be the Managing Director(s)/ Joint Managing Director / Whole Time Director(s) of the Company upon such terms and conditions as the Board may think fit and may from time to time (subject to the provisions of any contract between him and the Company).</p> <p>In the event of any vacancy arising in the office of a Managing Director(s)/ Joint Managing Director / Whole Time Director(s), the vacancy shall be filled by the Board, subject to the approval of the members.</p> <p>If a Managing Director(s)/ Joint Managing Director / Whole Time Director(s) ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/ Whole Time Director.</p>	<i>Appointment of Managing/ Whole Time Director</i>
76.	Subject to the provisions the Act, the Board of Directors may determine the remuneration payable to the Managing Director or Joint Managing Director or Whole-time Director as the case may be, in any manner they may deem fit. The remuneration may be in the form of monthly salary or commission based on profits or partly in one way and partly in another.	<i>Remuneration of Managing/ Whole time Director</i>
77.	Subject to the provisions of the Act, the Board of Directors may from time to time entrust upon the Managing Director or Joint Managing Director or Whole - time Director as the case may be for the time being such of the powers exercisable by	<i>Powers and duties of Managing/ Whole-time Director</i>

	<p>the Board of Directors as they may think fit and may confer such powers for such time and to be exercised for such objects, purposes and upon such terms and conditions and with restrictions as they may think fit and they may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Managing Director or Joint Managing Director or whole time Director may exercise all the powers entrusted to them by the Board of Directors jointly and severally in any manner as they may deem fit.</p>	
78.	<p>Subject to the provisions of the Act and to the terms of the contract with him, the Managing Director shall have the whole or substantially the whole of the management of the affairs of the Company subject to the supervision, superintendence and control of the Board of Directors.</p>	<i>Terms of contract</i>
79.	<p>Subject to the provisions of the Act, office of the Managing Director shall not, while he continues to hold that office be subject to retirement by rotation. However, he shall be reckoned as a Director for the purpose of determining the rotation of retirement of Directors and such retirement by rotation shall not be construed as break in terms of his appointment/re-appointment in fixing the number of Directors to retire but subject to the provisions of any contract between him and the Company and he shall be subject to the same provisions as the resignation and removal of the other Directors of the Company, and he shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of Director from any cause.</p>	<i>Retire by rotation of Managing Director</i>
	<p>Subject to the provisions of the Act, 2013 the Company may enter into contracts with the Related Party which are at arm's length and are in ordinary course of business of the company with approval of the Audit Committee and subsequently Board.</p> <p>B. Subject to the provisions of the Act, 2013, the Company may enter into contracts with the related parties which are of such nature wherein it requires consent of shareholders in terms of Act or Listing Agreement or any other law for the time being in force, with approval of the shareholders in the general meeting.</p>	<i>Related Party Transactions</i>
80.	<p>(i) The Company need not have a common seal and the Board at its discretion may prefer to have a seal and shall have a power from time to time to destroy the same and substitute a new seal in lieu thereof, and if the Seal is provided for, the Board shall provide for the safe custody of the Seal for the time being. In case such seal is required to be affixed to any instrument, such affixing shall be only pursuant to a resolution of the Board or of a Committee of the Board.</p> <p>(ii) The seal of the Company shall not be affixed to any instrument except in the presence of at least two directors and the secretary or any two persons as the Board or a committee of the Board authorised by it in that behalf, may appoint for the purpose; and the director and the secretary or authorized person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.</p> <p>(iii) Every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by a Director or the persons/secretary aforesaid in whose presence the seal shall have been affixed provided nevertheless that any instrument bearing the seal</p>	<p><i>The Seal, its custody and use</i></p> <p><i>Affixing of the seal</i></p>

	<p>of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority issuing the same.</p> <p>(iv) Save as otherwise expressly provided by the Act, a document or proceeding requiring authentication by the Company may be signed by a Director or the Secretary or any other Officer authorised in that behalf by the Board or committee thereof and need not be under its Seal.</p>	
81.	The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions hereto, shall be divisible among the members in proportion to the amount of capital called and paid-up on the shares held by them respectively.	<i>Division of profits</i>
82.	<p>The Company shall pay dividends in proportion to the amount paid up or credited as paid up on each share, or according to the nominal amount of the shares at the discretion of the Board of Directors. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a lesser Dividend.</p> <p>The company shall declare and disclose dividend on per share basis only.</p>	<i>Dividend in proportion to amount paid up</i>
83.	The Board may from time to time, pay to the Members such interim dividend as in their judgment the position of the Company justifies.	<i>Interim Dividend</i>
84.	A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.	<i>Transfer of Shares must be registered</i>
85.	Any General Meeting declaring a dividend may make a call on the Members of such amount as the meeting fixes, but such call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the Members be set off against the calls.	<i>Dividend and call together</i>
86.	<p>The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly.</p> <p>The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	<i>Dividends</i>
87.	<p>(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members (not being directors) as accorded by law or authorized by the Company in general meeting.</p> <p>(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in general meeting.</p> <p>Books of Accounts to be kept at the Registered Office or at such other place in India as the Board thinks fit.</p>	<p><i>Inspection of Accounts</i></p> <p><i>Books of Account</i></p>
	The Company shall keep and maintain at its Registered Office or such other place as the Board may deem fit, all statutory registers and returns, as required under the Act, including but not limited to, register of charges, register of members, register	<i>Statutory Registers</i>

	<p>of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, Sundays and Public holidays at the Registered Office of the Company by the persons entitled thereto on payment, wherever required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.</p>	
88.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>ii) For the purpose aforesaid, the liquidator may set such value as he deem is fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities where on there is any liability.</p>	<i>Winding-up of the Company</i>
89.	<p>(i) Every director, manager, auditor treasurer, trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the Company shall, if so required by the directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the Customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which come to his knowledge in the discharge of his duties except when required so to do by the directors or by law of by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p> <p>(ii) No member or other person (not being a Director) shall be entitled to enter the property of the Company or visit or inspect or examine the Company's premises or properties of the Company without the specific permission of Company/ the Board in that regard or any works of the Company without the permission of the directors or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors it would be inexpedient in the interest of the Company to disclose.</p>	<i>Secrecy Clause</i>
90.	<p>Save and except so far the provisions of this Article shall be avoided by the provisions of the Act, every director, Managing Director, Joint Managing Director, Whole-time Director, Manager, Secretary and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, shall or may incur or sustain by reason of any activity done,</p>	<i>Right to Indemnify</i>

	<p>concerned in or about the execution of their duties or supposed duty in their respective offices or trusts, except, if any, as they shall incur or sustain through or by their own willful neglect or default respectively, and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipt for the sale or conformity or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody of any security upon which any moneys or any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto except the same shall happen by or through their own willful neglect or default respectively.</p>	
91.	<p>(a) Wherever in the Act it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case these Articles hereby authorize and empower the Company and/or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Act without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein.</p> <p>(b) If pursuant to the approval of these Articles, if the Act requires any matter previously requiring a special resolution is, pursuant to such amendment, required to be approved by an ordinary resolution, then in such a case these Articles hereby authorize and empower the Company and its Shareholders to approve such matter by an ordinary resolution without having to give effect to the specific provision in these Articles requiring a special resolution to be passed for such matter.</p>	<i>Authorisations</i>

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a Company in pursuance of these Articles of Association.

Names, address and description of Subscribers	Signature of the Subscribers
<p>Sd/- Dr. Vinod Dahyalal Shah</p> <p>S/o Dahyalal Purshotamdas Shah Address: 7, Sanjukta, S. V. Road, Bandra, Bombay – 400 050 Occupation: Chemical Engineer</p>	<p>Witness to All</p> <p>Sd/-</p> <p>Kastury Virendra Narasimhan Chartered Accountant S/o Kastury Laxmi Narasimhan Address: Ghia Building, 121, Princess Street, Bombay – 400 002</p>
<p>Sd/- Mr. Chinubhai Dahyalal Shah</p> <p>S/o Dahyalal Purshotamdas Shah Address: 17, Divine Grace Society, 139-C, Prabhat Colony, Santacruz (East), Bombay – 400 055. Occupation: Business</p>	
<p>Dated at Bombay this 10th day of March, 1975</p>	

# HIGH COURT, BOMBAY

1129764

: 1 :

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.633 OF 2008  
CONNECTED WITH  
COMPANY APPLICATION NO.606 OF 2008

Shree Mahalasa Electronics Pvt.Ltd. ....Petitioner

AND

COMPANY PETITION NO.634 OF 2008  
CONNECTED WITH  
COMPANY APPLICATION NO.607 OF 2008

Chembond Chemicals Ltd. ....Petitioner

Mr.Dhawal Kenia i/b Law Charter for the Petitioners.

Mrs.Purnima Awasthi i/b Mr.S.K. Mahapatra for  
Regional Director.

Mr.S. Ramakantha, Deputy Official Liquidator present.

CORAM S.J. VAZIFDAR, J.  
DATED 6TH FEBRUARY, 2009.

P.C. :

1. Petition No.633 of 2008 has been filed by the transferee company and Petition No.634 of 2008 has been filed by the transferor company, seeking sanction of a scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956. The requirements and procedures have been complied with.

2. The Official Liquidator in his report stated that the affairs of the transferor company have not been conducted in a manner prejudicial to the interest

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of its members or to the public interest. The Regional Director in his affidavit stated that the scheme is not prejudicial to the interest of the creditors, shareholders and public. Further the Regional Director has in paragraph 6 of the affidavit stated that prima-facie there appear to be violations of section 297 of the Companies Act in respect of transactions with related parties. An affidavit has been filed by the company stating that the application for compound has been made under Section 621(a). In view thereof, the Regional Director does not have any objection to the scheme as such.

3. It is clarified that the sanction by this Court of the scheme will not in any manner affect the proceedings that may be adopted in respect of the alleged contravention. Suffice it to state that in the facts of this case, that is not adequate ground for refusing sanctioning the scheme.

4. The entire procedure has been complied with. There is no objection to the scheme being sanctioned by any party. There is nothing on record which disentitles the Petitioners to the reliefs claimed.

5. Both the Petitions are made absolute in terms of prayers (A).

# HIGH COURT, BOMBAY

11297

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6. The Transferee Company to lodge a copy of this order and the scheme with concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within thirty days of obtaining the authenticated and/or certified copy of the order.

7. The Petitioner companies to pay costs of Rs.7500/- each to the Regional Director and to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from today.

8. Filing and issuance of the drawn up order is dispensed with.

All concerned authorities to act on a copy of this order duly authenticated by Company Registrar, High Court, Bombay.

**TRUE-COPY**  
*M. D. Narvekar*  
**M. D. NARVEKAR**  
COMPANY REGISTRAR  
HIGH COURT (O.S.)  
BOMBAY

**TRUE COPY**  
*Section Officer*  
**High Court, Appellate**  
Bombay

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION No. 633 OF 2008

IN

COMPANY APPLICATION No. 606 OF 2008,

Shree Mahalasa Electronic Law ... Petitioner  
 Charters Pvt. Ltd.

WITH

CIVIL APPLICATION No. 634 OF 2008

WITH

COMPANY APPLICATION No. 607 OF 2008

Chebbon Chemicals Ltd. ... Petitioner

Mr. Dhawal Kenia i/b Law Charter, for the petitioner.

Ms. Purnima Awathi i/b R.D. Mr. S. K. Mohapatra for  
 the Respondent

Mr. S. Ramakantha, Dy. Official Liquidator.

CORAM: S. J. VAZIFDAR, J.

DATED: FEBRUARY 27, 2009.

P.C.:



In the order dated 16th February, 2009 :-

(i) In paragraph 1 the word "transferee" is substituted with the word "transferor" and the word "transferor" is substituted with the word "transferee".

(ii) In paragraph 2 word "compound" is substituted with the word "compounding".

(iii) It will not be necessary for the transferee company to pay a sum of Rs.7,500/- to the Official

# HIGH COURT, BOMBAY

- 2 -

Liquidator.

Sd/-  
[ S. J. VAZIFDAR,

TRUE COPY

*Atgank C*  
Section Officer *1/13/09*  
High Court, Appellate Side  
Bombay

TRUE-COPY

*W. D. Narvekar*  
W. D. NARVEKAR  
Company Registrar  
HIGH COURT, (S.S.)  
BOMBAY

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SCHEME OF AMALGAMATION  
OF  
SHREE MAHALASA ELECTRONICS PRIVATE LIMITED - THE  
TRANSFEROR COMPANY  
WITH  
CHEMBOND CHEMICALS LIMITED - THE TRANSFEREE COMPANY

[PREAMBLE]

- (a) This Scheme of Amalgamation provides for amalgamation of SHREE MAHALASA ELECTRONICS PRIVATE LIMITED (hereinafter referred to as "SMEPL") with CHEMBOND CHEMICALS LIMITED (hereinafter referred to as "CCL"), pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.
- (b) SHREE MAHALASA ELECTRONICS PRIVATE LIMITED was incorporated on 19<sup>th</sup> September, 1996 as a Private Limited Company under the Companies Act, 1956 under the name and style of "Shree Mahalasa Electronics Private Limited".

CHEMBOND CHEMICALS LIMITED was incorporated on 22<sup>nd</sup> March, 1975 as a Private Limited Company under the Companies Act, 1956 under the name and style of "Chembond Chemicals Private Limited". The Company was converted into a public limited company and accordingly the name of the Company was changed to "Chembond Chemicals Limited" as per the certificate issued by the Registrar of Companies, Maharashtra on 4<sup>th</sup> May, 1993.



## DEFINITIONS:

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

- (a) "The Act" means Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.
- (b) "The Transferor Company" means SHREE MAHALASA ELECTRONICS PRIVATE LIMITED, a Company incorporated under the Companies Act, 1956 and having its Registered Office at 701, Phalguni, Sarojini Road, Santacruz (West), Mumbai 400054.
- (c) "The Transferee Company" means CHEMBOND CHEMICALS LIMITED, a Company incorporated under the Companies Act, 1956 and having its Registered Office at Chembond Centre, EL-71, TTC MIDC Industrial Area, Mahape, Navi Mumbai - 400 710.
- (d) 'The Appointed Date' means 1<sup>st</sup> January, 2008 or such other date may be fixed or approved by the High Court of Judicature at Bombay.
- (e) 'The Effective Date' means the last of the dates on which the sanctions/approvals or orders as specified in Clause No. 17 of this Scheme have been obtained and/or filed or fulfilled/completed.
- (f) "The Record Date" is any date after the Effective Date to be fixed by the Board of Directors of the Transferee Company for issuing the shares of Transferee Company to the shareholders of the Transferor Company.
- (g) 'Undertaking' shall mean and include:
  - 1) All assets and properties, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to Land and Building, all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions,



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funds, and all right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts and all other rights, claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date and all earnest money and/or deposits including security deposits paid by the Transferor Company as on the Appointed Date. (hereinafter referred to as 'the said Assets')

- II) All secured and unsecured Debts (whether in Rupees or in foreign currency), all liabilities, duties and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon as on the Appointed Date (hereinafter referred to as 'the said Liabilities')
- III) Without prejudice to the generality of Sub-clause (I) and (II) above the undertaking of the Transferor Company shall include all preliminary and pre-operative expenses, assets, investments, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and other intangible rights, hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, permits, quotas, entitlements, registrations, licences (industrial or otherwise), municipal permissions, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different Taxation Laws as may belong to or be available to the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of whatsoever nature and



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wheresoever situated, belonging to or in ownership of the Transferor Company, including but without being limited to trade and services marks, patents, copyrights, brand names, and any other intellectual property rights of any nature whatsoever, authorizations, permits, rights to use and avail of telephones, telexes, facsimile, email, internet, lease line connections and installations, utilities, electricity and other services, all records, files, papers, computer programs, software, know-how, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relation to the 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 favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad including its employees which are working with the company as on the Appointed / Effective Date.

- (h) "The Scheme" means this Scheme of Amalgamation in its present form or with any modifications, made under clause 15 of this scheme as approved or imposed or directed by the Hon'ble High Court of Bombay.
- (i) "High Court" means the High Court of Bombay having jurisdiction in respect of Shree Mahalasa Electronics Private Limited and Chembond Chemicals Limited and shall include the National Company Law Tribunal as applicable.



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All terms and words 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 Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

3. SHARE CAPITAL

A. The Share Capital of the Transferor Company as on 31<sup>st</sup> December 2007 is as follows:

Authorised Capital:

10,000 Equity Shares of Rs.100/- Rs. 10,00,000

each

Total

Rs. 10,00,000

Issued, subscribed and paid up capital:

6,214 Equity Shares of Rs.100/- Rs. 6,21,400

each fully paid-up

Total

Rs. 6,21,400

B. The Share Capital of the Transferee Company as on 31<sup>st</sup> December 2007 is as under:

Authorised Capital

50,00,000 Equity Shares of Rs.10/- Rs. 5,00,00,000

each

Total

Rs. 5,00,00,000

Issued and subscribed and paid up capital:

30,00,000 Equity Shares of Rs.10/- Rs. 3,00,00,000

each fully paid-up

Total

Rs. 3,00,00,000



#### 4. TRANSFER OF UNDERTAKING:

(a) With effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the provisions of Section 394 and other applicable provisions of the Act and in relation to the mode of transfer and vesting, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and shall stand transferred to and/or vested in and/or deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, titles and interests and authorities of the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the Act.

(b) The transfer and/or vesting as aforesaid shall be subject to the existing charges, securities, hypothecation and mortgages, if any, over or in respect of all the aforesaid assets or any part thereof of the Transferor Company. Provided however, that any reference of any security documents or arrangements, to which the Transferor Company is a party, to the assets of the Transferor Company which it has offered or agreed to be offered as security for any Financial assistance or obligations, to the secured creditors of the Transferor Company, shall be construed as reference only to the assets pertaining to the assets of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid clause, to the end and intent that such security, mortgage or charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to the Transferor



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Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become effective or otherwise.

- (c) Without prejudice to clause (a) above, it is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the said Act.
- (d) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the Liabilities including contingent liabilities, if any of the said Transferor Company shall also be and shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 and other applicable provisions of the Act, so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.
- (e) The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtors or depositors as the case may be that pursuant to the High Court of Bombay sanctioning the Scheme, the said debt, loan, advance, etc. 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 realize the same stands extinguished.



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- (f) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositors that pursuant to the High Court of Bombay having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realize the same is, in substitution of the right of the Transferor Company.
- (g) With effect from the Appointed Date, the existing securities created over its assets by the Transferee Company in favour of HDFC Bank Limited (cash credit facility, term loan and Car Loan) shall continue as HDFC Bank's securities over the said assets (both movable and immovable) of Transferee Company upon amalgamation; and the Assets so secured shall be clearly identifiable and/or distinguishable.
- (h) With effect from the Appointed Date, and subject to the provisions of this Scheme all the Employees of the Transferor Company shall also be and shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Act, so as to become as and from the Appointed Date, the employees of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person, in order to give effect to the provisions of this Clause.
- (i) With effect from the Appointed date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company or its committee thereof be required, the reserves of the Transferor Company will be merged with those of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company. In other words, the identity of the reserves of the Transferor Company will be preserved in the hands of the Transferee Company.



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(j) With effect from the Appointed Date, all unsecured loans, outstanding creditors and other liabilities of the Transferor Company, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other liabilities which may accrue or arise after the Appointed Date upto the Effective Date, but which relates to the period on or upto the day of the Appointed Date, shall, pursuant to the Orders of the Jurisdictional High Courts or such other competent authority as may be applicable under Section 394 and other applicable provisions of the Act and without any further act or deed, be transferred or deemed to be transferred to and vest in and be assumed by the Transferee Company, so as to become as from the Appointed Date the loans, creditors, and liabilities of the Transferee Company the same terms and conditions as were applicable to the Transferor Company.

**CONTRACTS, DEEDS AND OTHER INSTRUMENTS:**

(a) Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefits 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 against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to this Clause if so required or become necessary. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor



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Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of the Scheme.

- (b) The resolutions, if any, of the Transferor Company which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

**6. LEGAL PROCEEDINGS:**

(a) Upon coming into effect of this Scheme all suits, appeals, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall not abate or be discontinued or in any way be prejudicially affected and shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company as if this Scheme had not been made

(b) The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company as if this Scheme had not been made.

**7. OPERATIVE DATE OF THE SCHEME:**

This Scheme though effective from the Appointed Date shall be operative from the Effective Date.



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8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE:

8.1 With effect from the Appointed Date, and up to the Effective Date:

- (a) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for the Transferee Company.
- (b) All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) of the Transferor Company shall, for all purposes be treated and be deemed to be and accrued as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.
- (c) The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or if the same is expressly permitted by this Scheme or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date, except with prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor Company and Transferee Company even if the same are prior to the Appointed Date.



- (d) The Transferor Company may not vary the terms and conditions and employment of permanent employees except in ordinary course of business nor shall it conclude settlement with union or employees.
- (e) The Transferor Company shall not, without prior written consent of the Transferee Company, undertake any new business.
- (f) The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the Company and for business of the Company and shall not change its present Capital Structure.
- (g) The Transferor Company and the Transferee Company shall not make any change in their respective capital structure after the Scheme is approved by the Board of Directors of both the companies, either by any increase, (by issue of equity or preference shares on a right basis, bonus shares, private placement convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner which may, in any way, affect the Share Exchange Ratio (as defined in clause 9 below), except by mutual consent of the respective Board of Directors of the Transferor Company and the Transferee Company or except as has been expressly disclosed under this Scheme.

8.2 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorised to carry on the businesses carried on by the Transferor Company

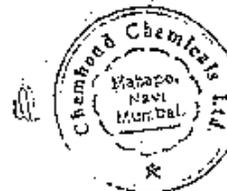
8.3 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own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



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## 9. ISSUE OF SHARES BY THE TRANSFEREE COMPANY:

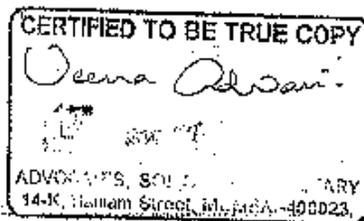
- a) Upon the Scheme becoming finally effective, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall, subject to the provisions of the Scheme and without any further application, act, instrument or deed, issue and allot at par 29\_ (Twenty Nine) Equity Shares of Rs. 10/- (Rs. Ten only) each, credited as fully paid up in the capital of the Transferee Company to the members of the Transferor Company, whose names appear in the Register of members of Transferor Company on such date (hereinafter called the "Record Date") to be fixed by the Board of Directors of the Transferee Company for every 1 (One) Equity Share of the face value of Rs. 100/- (Rs. One Hundred only) each fully paid-up or credited as paid-up and held by the said members or their heirs, executors, administrators or legal representatives as the case may be, in the Transferor Company. The share exchange ratio will be suitably modified in case the Transferee Company issues any shares by way of bonus shares or splits the Equity Shares between the date of the approval of the Scheme by the Shareholders of both the companies and the date of allotment of the Transferee Company's Equity Shares to the Equity Shareholders of the Transferor Company.
- b) The said new Equity Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank for voting rights and all other respects paripassu with the existing Equity Shares of the Transferee Company, save and except that the owners of such Equity Shares shall be entitled to dividend declared and paid by the Transferee Company only after the Record Date for the purpose of allotment of the Transferee Company's



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Equity shares to the Equity Shareholders of the Transferor Company pursuant to the approval of the Scheme.

- c) Fraction of Shares: The fractions arising due to the above Exchange Ratio shall be treated as under:- No fractional entitlements shall be issued by the Transferee Company in respect of the fractional entitlements if any, to which the members and Preference shareholders of the Transferor Company may be entitled on issue of allotment of the shares by the Transferee Company as aforesaid. The Directors of the Transferee Company shall instead consolidate all such fractional entitlements and allot shares in lieu thereof to a Director or an authorised officer of the Transferee Company with express understanding that such Director or the officer shall sell the same at the best available price in one or more lots and by private sale /placement or by auction as deemed fit (the decision of such Director or the officer as the case may be as to the timing and method of the sale and the price at which such sale has been given effect to shall be final) and pay the sale proceeds to the Transferee Company. The net sale proceeds thereupon, shall be distributed among the members of the Transferor Company in the proportion of their fractional entitlements by the Transferee Company.
- d) For the purpose aforesaid, the Transferee Company shall, if and to the extent required, apply for and obtain any approvals including that of Reserve Bank of India, an other concerned regulatory authorities for the issue and allotment by the Transferee Company of New Equity shares to the members of the Transferor Company;
- e) Upon the Scheme coming into effect, all shareholders of the Transferor Company holding shares in physical form, if so required by the Transferee Company by notice in this behalf, shall surrender their Certificates representing equity shares of the Transferor Company,



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according to their respective entitlements, to the Transferee Company for cancellation thereof. Notwithstanding the foregoing, upon the New Equity Shares being issued and allotted, as aforesaid, the Share Certificates in respect of the equity shares held in the Transferor Company shall be deemed to have been automatically cancelled and of effect and the Transferee Company instead of requiring surrender of such Certificates may directly issue and dispatch fresh Certificates in respect of the New Equity Shares issued and allotted by the Transferee Company;

- f) The Transferee Company shall be entitled to declare and pay dividend to its shareholders for any financial year or any period prior to the Effective Date;
- g) The issue and allotment of Equity Shares by Transferee Company as provided in the Scheme shall be deemed to have been carried out by following the procedure laid down under Section 81(1A) and other applicable provisions of the Act.
- h) Upon issuance and allotment of the Equity Shares by the Transferee Company to the members of the Transferor Company as provided in the Scheme, the existing Equity Shares held by the members of the Transferor Company shall automatically stand cancelled / extinguished.
- i) In so far as the Equity Shares of the Transferor Company held by the Transferee Company if any, on the Effective Date are concerned, such shares would be cancelled and to that extent the Transferee Company is required to issue less number of shares.
- j) In so far as the Equity Shares of the Transferee Company held by the Transferor Company are concerned, such shares would be cancelled, on the Effective Date and the capital of the Transferee Company shall be reduced to that extent.



*[Handwritten signature]*

10. ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES OF THE TRANSFEROR COMPANY

- (a) Recognising that the amalgamation is to be considered as an "amalgamation in nature of merger" as defined by paragraph 29 of the Accounting Standard on "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India (ICAI), As-14, the accounting treatment in respect of assets, liabilities and reserves of the Transferor Company shall be governed, subject to the provisions of this paragraph, in accordance with what is described in As-14 as "the Pooling of interests Method".
- (b) As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferor Company be required, the Reserves of the Transferor Company will be merged with the Reserves of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company
- (c) Further, in case of any difference in accounting policy between the Transferor Company and Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistency in the accounting policy.
- (d) An amount equal to the balance lying to the credit/ debit of Profit and Loss Account in the books of the Transferor Company shall be credited/ debited by the Transferee Company to its Profit and Loss Account and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves as effectively as if the same were created by the Transferee Company and credited by the



*[Handwritten signature]*

Transferee Company out of its own earned and distributable profits.

- (e) The difference between Net Assets Value i.e. Book value of Assets minus liabilities (including Reserves) of the Transferor Company as on Appointed Date and Equity Share Capital issued to the shareholders of Transferor Company on Amalgamation by the Transferee Company shall be credited/ debited by the Transferee Company to its General Reserve/ Goodwill Account as the case may be. General Reserve shall constitute as free reserves as if the same was created by the Transferee Company out of its own earned and distributable profits.

#### 11. DIVIDEND, PROFIT, BONUS, RIGHT SHARES:

At any time upto the Effective Date

- (a) The Transferor Company and the Transferee Company shall not declare/or pay dividends, which are interim or final to the respective members relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.
- (b) The Transferor Company and the Transferee Company shall not issue or allot any right shares, or Bonus Shares or any other security converting into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.
- (c) The resolutions of the Transferor Company, which are valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable



*[Handwritten signature]*

provisions, then the said limits shall be valid and shall constitute for the Transferee Company.

**12. TRANSFEROR COMPANY'S EMPLOYEES:**

Upon the Scheme coming into effect, all permanent Employees of the Transferor Company, shall become employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service and on the terms and conditions as to remuneration not less favorable than those subsisting with reference to the Transferor Company as on the said date.

It is provided that so far as the Provident Fund, Gratuity Fund, or any other Special Scheme(s)/Fund(s), if any, created or existing for the benefit of the employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Schemes/Funds in accordance with provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Schemes/Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid Schemes/Funds.

**13. DISSOLUTION OF THE COMPANY:**

The Transferor Company shall stand dissolved without winding up on an order made by the High Court of Bombay under Section 394 of the Companies Act.



*[Handwritten signature]*

14. APPLICATION TO THE HIGH COURT:

The Transferor Company shall make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Judicature at Mumbai for sanctioning of this Scheme and for dissolution of Transferor Company without winding up under the Provisions of Act and obtain all approvals as may be required under law.

The Transferee Company shall also with reasonable dispatch make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Judicature at Mumbai for sanctioning of this Scheme under the Provisions of Act and obtain all approvals as may be required under law.

15. MODIFICATIONS, AMENDMENTS TO THE SCHEME:

The Transferor Company (by their Directors) and Transferee Company (by their Directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the respective High Court, Mumbai or any authorities under the Law may deem fit to approve of or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Directors of the Transferor Company and Transferee Company may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise out of or under or by virtue of this Scheme and/or any matters concerning or connected therewith.



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16. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS:

This Scheme is specifically conditional upon and subject to:

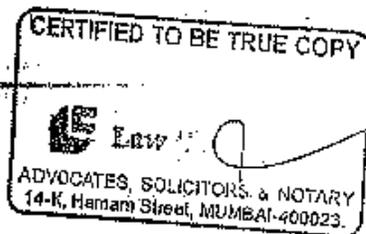
- (a) The approval of and agreement to the Scheme by the requisite majorities of such Classes of persons of the Transferor Company and the Transferee Company as may be directed by the High Court of Judicature at Mumbai on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the Act for the purpose.
- (b) The sanctions of the High Court of Judicature at Mumbai being obtained under Sections 391 to 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and Transferee Company.
- (c) Filing certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Maharashtra.



17. EFFECTIVE DATE OF THE SCHEME:

This Scheme although to come into operation from Appointed Date shall not come into effect until the last of the following dates viz.

- (a) The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and/or orders as are hereinabove referred to have been obtained or passed; and
- (b) The date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the Registrar of Companies, Maharashtra and such date shall be referred to as Effective Date for the purpose of the Scheme.



18. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION:

In the event of any of the said sanction and approval referred to in the preceding Clause No.16 and 17 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order(s) not being passed as aforesaid before 31<sup>st</sup> March 2009 or within such further period(s) as may be agreed upon from time to time by the Transferor Company (by its Directors) and by the Transferee Company (by its Directors) and the Board of the Directors of the both Companies are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by its delegates, 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 right, obligation 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 this Scheme and or otherwise arise as per Law and in such event each party shall bear their respective costs, charges and expenses in connection with the Scheme.



19. EXPENSES CONNECTED WITH THE SCHEME:

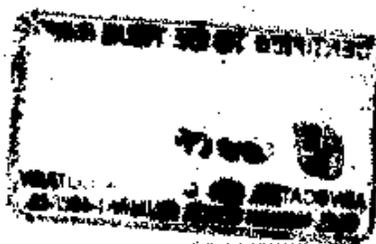
All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with this scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this scheme shall be borne by the Transferee Company only.

CERTIFIED TRUE COPY  
For CHEMBOND CHEMICALS LTD.

*[Signature]*  
Director.

TRUE COPY  
*[Signature]*  
M. D. NARVEKAR  
COMPANY REGISTRAR  
HIGH COURT (O.S.)  
BOMBAY

CERTIFIED TO BE TRUE COPY  
*[Signature]*  
Law  
ADVOCATES, SOLICITORS & NOTARY  
14...  
MUMBAI-400023



IN THE HIGH COURT OF JUDICATURE  
AT BOMBAY  
IN ITS ORDINARY ORIGINAL CIVIL  
JURISDICTION  
AND  
IN ITS JURISDICTION UNDER THE  
COMPANIES ACT, 1956  
COMPANY PETITION NO. 633 OF 2008  
IN  
COMPANY APPLICATION NO. 606 OF 2008

In the matter of Scheme  
of Amalgamation of Shree  
Mahalasa Electronics Pvt.  
Ltd. with Chembond  
Chemicals Ltd.

Shree Mahalasa Electronics Pvt. Ltd.  
..Petitioners



Authenticated copies of  
Oral Orders dated  
February, 2009 and 27  
February, 2009 alongwith  
the Scheme of Amalgamation.

Deposited on 5-3-2009  
Examined by S.B. [Signature]  
Compared with [Signature]  
Ready on 18/03/09  
Subscribed on 18/03/09

M/s Law Charter  
Advocates for the Petitioners



**THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT-1**

**C.P.(CAA)/23(MB)2025**

**C/W**

**C.A.(CAA)/162(MB)2024**

*In the matter of*

*The Companies Act, 2013 (18 of 2013)*

*and*

*Section 232 r/w Section 230 of*

*The Companies Act, 2013 and other  
applicable provisions of the Companies*

*Act, 2013*

*read with the Companies (Compromises,  
Arrangements and Amalgamations) Rules,  
2016;*

*In the matter of*

*Composite Scheme of Arrangement*

**Chembond Chemicals Limited**

CIN: L24100MH1975PLC018235

...Petitioner Company 1/  
**Transferee Company/  
Demerged Company**

**Chembond Chemical Specialties Limited**

CIN: U20116MH2023PLC415282

...Petitioner Company 2/  
**Resulting Company/**

**Chembond Clean Water Technologies  
Limited**

CIN: U29248MH2010PLC202124

...Petitioner Company 3/  
**Transferor Company 1/**

**Chembond Material Technologies Private  
Limited**

CIN: U24200MH2000PTC125231

...Petitioner Company 4/  
**Transferor Company 2/**



**Phiroze Sethna Private Limited**  
CIN: U25209MH1975PTC018396

...Petitioner Company 5/  
**Transferor Company 3**

**Gramos Chemicals (India) Private Limited**  
CIN: U99999MH1985PTC035486

...Petitioner Company 6/  
**Transferor Company 4**

*[Collectively referred to as 'Petitioner Companies']*

*Order delivered on 07.04.2025*

**Coram:**

**Shri Prabhat Kumar**  
Hon'ble Member (Technical)

**Justice V.G. Bisht (Retd.)**  
Hon'ble Member (Judicial)

**Appearances:**

**Appearances:**

For the Petitioner Companies:

Mr. Shyam Kapadia Counsel with Mr.  
Sanjay Udeshi a/w Mr. Darshan  
Ashar Advocates i/b M/s. Sanjay  
Udeshi & Co., Advocates

For the Regional Director:

Mr. Bhagwati Prasad, Assistant  
Director from the Office of the  
Regional Director Western Region,  
Ministry of Corporate Affairs.

**ORDER**

1. Heard Learned Counsel for the Petitioner Companies as well as the Representative of the Regional Director, Western Region, the Ministry of Corporate Affairs ("Regional Director"). No objector has come before



this Tribunal to oppose the Scheme nor has any party controverted any averments made in the Petitions to the said Scheme, unless otherwise stated.

2. The Composite Scheme of Arrangement 232 r/w Section 230 of the Companies Act, 2013 and other applicable provisions read with Section 66 of the Companies Act, 2013 and any other applicable Rules of the Companies Act, 2013 amongst **Chembond Chemicals Limited** ("Demerged Company/Transferee Company") and **Chembond Chemical Specialties Limited** (Resulting Company") and **Chembond Clean Water Technologies Limited** (Transferor Company No. 1) and **Chembond Material Technologies Private Limited** (Transferor Company No. 2") and **Phiroze Sethna Private Limited** (Transferor Company No. 3") and **Gramos Chemicals (India) Private Limited** (Transferor Company No. 4") and their respective shareholders involving demerger of the demerged undertaking of the Petitioner Demerged Company into Resulting Company ("Demerger"), amalgamation of Applicant Transferor Company No. 1 into Applicant Resulting Company ("Amalgamation - I") and pursuant to that, amalgamation of Applicant Transferor Company No. 2, Applicant Transferor Company No. 3 and Applicant Transferor Company No. 4 ("collectively defined as Transferor Companies") into the Transferee Company ("Amalgamation - II") ("Composite Scheme of Arrangement", "Composite Scheme", "Scheme").
3. The Scheme envisages demerger of the Demerged Undertaking i.e. the 'CC & WT Business' of the Demerged Company (as defined further in the Composite Scheme of Arrangement) of the Demerged Company into Resulting Company ("Demerger"), amalgamation of Petitioner Company No. 3/Transferor Company No. 1 into Resulting Company ("Amalgamation - I") and thereafter, amalgamation of Petitioner Company No. 4, Petitioner Company No.5 and Petitioner Company



No. 6 ("collectively defined as Transferor Companies") into the Transferee Company ("Amalgamation - II") ("Composite Scheme of Arrangement", "Composite Scheme", "Scheme").

4. The Scheme also envisages that the name of the Demerged Company stand altered to "Chembond Material Technologies Limited." and name of the Resulting Company stand altered to "Chembond Chemicals Limited" without any further act or deed, in accordance with the provisions of Section 230-232 of the Companies Act, 2013.
5. The Board of Directors of the Petitioner Companies in its meeting held on 12.12.2023 have approved the said Composite Scheme. The Appointed Date is April 1, 2024.
6. The Learned Advocate appearing for the Petitioner Companies states that the Petition have been filed in consonance with the order dated 11<sup>th</sup> October 2024 passed in their Company Scheme Application No. C.A.(CAA)/162(MB)2024 by this Tribunal. The Petitioner Companies have filed the necessary Affidavits of Compliance with this Tribunal. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements, if any, as may be required under the Companies Act, 2013 and the Rules made thereunder.
7. The Petitioner Companies further submits that they have complied the order 27.01.2025 intimating the date of hearing and service of Petition upon the Sectoral/Regulatory authorities and also made paper publication in two leading newspapers one in Business Standard and another one in vernacular language i.e. Navshakti on 06.02.2025 and filed necessary affidavit of Compliance with this Tribunal on 20.02.2025 and the Petitioner Companies have complied with all the requirements as per the directions of this Tribunal.



Moreover, the Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 2013 and the rules & regulations made thereunder. The said undertaking is accepted.

8. **Nature of Business:**

The Petitioner Companies are companies belonging to the same group. The Demerged Company is engaged in the business of manufacturing a diverse range of specialty chemicals and products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The equity shares of the Demerged Company are listed on BSE and NSE.

- 8.1. The Resulting Company was formed with the object to carry on the business of Specialty chemicals including but not limited to Construction Chemicals and Water Treatment Chemicals. It is a wholly owned subsidiary of the Demerged Company.
- 8.2. The Third Petitioner Company is engaged in the business of designing, manufacture, trade and marketing of whole range of water and waste water systems, including but not limited to membrane technologies, providing total water management solutions, including services (detailed engineering, O&M manuals, design centre etc.).
- 8.3. The Fourth Petitioner Company is engaged in the business of offering innovative & value delivery solutions to industrial customers in the areas of surface treatment, bonding & selling, & coatings.



8.4. The Fifth Petitioner Company is engaged in the business of manufacturing and marketing a wide range of products to automobiles manufacturers, ancillary industries and other manufacturing sectors.

8.5. The Sixth Petitioner Company is engaged in the business of manufacturing products for paint shops with a presence in the leading automotive and industrial plants of the country.

9. **Rationale of the Scheme:**

By sanction of this Scheme of Arrangement, the Petitioner Companies will be able to achieve the following rationale, as extracted from the Scheme:

9.1. The Chembond group, represented by the Demerged Company, viz. Chembond Chemicals Limited and its subsidiaries, step-down subsidiaries and step-down associates, is a well-known name in India and engaged in manufacturing a diverse range of specialty chemicals and all products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The Demerged Company has excellent infrastructure facilities like a well-equipped R & D laboratory, multiple regional offices, and production plants, well-trained personnel and references across several business segments from the best-known companies in the field. The Demerged Company has come a long way and evolved from being a fledging start-up to India's leading specialty chemicals manufacturer. Based on the aforesaid, the Demerged Company's several businesses carried on by itself and through its subsidiary and step-down subsidiary companies and associate companies can broadly be segregated into the following areas: (i) Water Technologies; (ii) Material Technologies; (iii) Construction



Chemicals; (iv) Biotechnology; (v) Distribution; (vi) Tolling (vii) Adhesives; and (viii) Industrial Sealants.

9.2. Each of the several businesses carried out by the Demerged Company by itself and through its subsidiaries, step-down subsidiaries and step-down associate, including CC & WT Business (as defined hereinafter) has significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking can attract a different set of investors, strategic partners, lenders, and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, Demerged Company proposes to re-organize and segregate, by way of a demerger of its Demerged Undertaking and vesting of the same in the Resulting Company and subsequently, amalgamation of the Transferor Companies with the Transferee Company.

9.3. The proposed demerger pursuant to this Scheme is expected, inter alia, to result in the following benefits:

- a. segregation and unbundling of the CC & WT Business of the Demerged Company into the Resulting Company, which will enable enhanced focus on Retained Business (as defined hereinafter) the Demerged Company and Resulting Company for exploiting opportunities of each of their businesses.
- b. unlocking value for the shareholders of the Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialization for sustained growth.





- c. logistics alignment leading to economies of scale for the Resulting Company and creation of sectoral efficiencies and benefiting stakeholders as well as optimization of operation and capital expenditure; and
- d. enhancing competitive strength, achieving cost optimisation, ensuring benefits through focused management of the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Company and the Demerged Company thereby significantly contributing to future growth and maximizing shareholders' value.
- 9.4. Upon completion of proposed demerger, Transferor Company No. 1 will become a step-down subsidiary of the Resulting Company. The proposed Amalgamation - I and Amalgamation - II of the subsidiary companies (direct and indirect) into their respective holding company pursuant to this Scheme is expected, inter alia, to result in the following benefits:
- a. It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value.
- b. It will provide for more productive and optimum utilization of various resources by pooling the managerial, technical and financial



resources of the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition.

- c. It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholder's value.
- d. It will result in a reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and
- e. In summary, the proposed restructuring focuses on optimizing the operational structure to enable better focus, specialization, and efficiency across different business segments, ultimately leading to increased shareholder value and sustained growth for the entities involved.

The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the Companies.

10. The equity shares of the Transferee Company are listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the master





circular in relation to Scheme of Arrangement issued by SEBI having No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, including all amendments thereto, provides for prior approval from BSE and NSE. In compliance of the same, the Demerged Company had applied to BSE and NSE for its Observation Letter / No Objection Letter to file the Scheme for sanction with this Tribunal. BSE and NSE vide its letter dated August 13, 2024, and August 14, 2024, has given their 'No Objection Letter' to the First Petitioner Company to file the Scheme with Tribunal.

11. **Consideration:**

11.1. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, and upon the transfer of the Demerged Undertaking and vesting of the same in the Resulting Company, the Board of Directors of the Resulting Company shall determine a record date, being a date subsequent to the filing of the order of the Tribunal sanctioning the Scheme with the RoC ("Record Date") for the allotment of (i) equity shares having face value of Rs. 5 (Rupees Five) each of Resulting Company, credited as fully paid up, to the equity shareholders of the Demerged Company as on the Record Date, in consideration for the demerger of the Demerged Undertaking. The Board of Directors of the Resulting Company and the Demerged Company, respectively have determined the share entitlement ratio, such that:

*(a) for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued*



*2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five) each, in the Resulting Company.*

11.1.1. The share entitlement ratio stated above has been determined and agreed upon by the respective boards of directors of each of the Demerged Company and the Resulting Company based on their independent judgment after taking into consideration the recommendation of the fair share entitlement ratio provided by independent registered valuer, SSPA & Co, and the fairness opinion provided by independent merchant bankers, Vivro Financial Services Private Limited, as presented before the Audit committee of the Board of Directors of the Demerged Company.

11.2. Reduction in Share Capital of The Resulting Company

Upon Section 1 of the Scheme coming into effect on the Effective Date and immediately after issuance of the equity shares of the Resulting Company to the equity shareholders of the Demerged Company, respectively the 10,000 (Ten Thousand) equity shares of the Resulting Company having face value of Rs.5 (Rupees Five) each held by the Demerged Company comprising 100% (One Hundred Percent) of the total issued and paid equity share capital of the Resulting Company as on the effective date shall stand cancelled without any further act or deed on the part of the Resulting Company.

11.3. The Transferor Company No. 1 will become an indirect wholly owned subsidiary company of the Resulting Company post the effectiveness of the Scheme. Its entire share capital will be indirectly held by the Resulting Company. Hence, upon



Amalgamation – Ibecoming effective, no shares of Resulting Company shall be allotted in lieu or exchange of the shares of the Transferor Company No. 1. Upon the Scheme becoming effective, the entire share capital of the Transferor Company No. 1 shall be cancelled and extinguished.

- 11.4. The Transferor Companies are wholly owned subsidiary and / or step-down subsidiary companies of Transferee Company. Their entire share capital is directly or indirectly held by the Transferee Company. Hence, upon the Scheme becoming effective, no shares of Transferee Company shall be allotted in lieu or exchange of the shares of the Transferor Companies. Upon the Scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished.
12. Consequent upon demerger and, 'Clause V of the Memorandum of Association of the Transferee Company shall be replaced with the following:
- 'The Authorised Share Capital of the Company is Rr. 10,60,00,000/- (Rupees Ten Crores Sixty Lakhs Only) divided into 2,12,00,000 (Two Crores Twelve Lakhs) Equity Shares ofRs.5/- (Rupees Five only) each with the rights, privileges, and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with the power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach there to respectively, such preferential, qualified or special rights, privileges or conditions as may be determined in accordance with the articles of association of the company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the law for the time being inforce or provided by the Articles of Association for the time being. "*





13. All pending complaints/ inspection/ litigation of the Demerged Undertaking , the Transferor Company No. 1 and the Transferor Companies, will continue with, by or against the Resulting Company and the Transferee Company and approval of the Scheme will not deter the concerned authorities including but not limited to the Income Tax Department to continue and/or initiate any further legal proceedings against the mentioned Company in case any violation is found in relation to the conduct of affairs by the Transferor Company or arising out of any complaint, inspection or investigation.
14. The Regional Director has filed his Report dated 28.02.2025 making certain observations and the Petitioner Companies have undertaken/made following submission that :
- There are no pending inquiry, inspection, investigations and prosecutions and complaint under Companies Act, against the Petitioner Companies
  - The relevant Petitioner Companies shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc, as may be applicable;
  - The Scheme enclosed to the Company Application and the Scheme enclosed to the Company Petition are one and same and there is no discrepancy or changes made;
  - The Scheme in compliance with the guidelines as stated in the circular no. F. No. 7/12/2019/CL-I dated 21.08.2019, issued by the Ministry of Corporate Affairs, the Appointed



Date is a specific calendar date i.e. April 1, 2024, from which the Scheme shall be effective

- e. The Petitioner Companies have complied till date all the necessary compliance and further shall also comply with the observation letter dated 13.08.2024 and 14.08.2024 issued by BSE, NSE and SEBI (LODR) Regulations, 2015 as applicable; and
- f. The Transferee Company shall comply with provisions of section 2(1B) of the Income Tax Act, 1961 and shall ensure compliance of all the provisions of Income Tax Act and Rules thereunder.
15. Mr. Bhagwati Prasad, Representative of Regional Director, Office of Regional Director (WR), Mumbai, appeared on the date of hearing and submits that above explanations and clarifications given by the Petitioner Companies in rejoinder are satisfactory and they have no further objection to the Scheme.
16. The Official Liquidator has filed his report dated January 31, 2025, inter alia, stating therein that the affairs of the Transferor Company No.1 and the Transferor Companies have been conducted in a proper manner.
17. From the material on record, the Composite Scheme of Arrangement appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy considering that no objection has been received from any authority or creditors or members or any other stakeholders.



18. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition bearing C.P. (CAA)/23(MB)2025 filed by the Petitioner Companies are made absolute in terms of prayers clause of the said Company Scheme Petition.
19. The creditors of undertaking, being demerged, shall be entitled to make claim against the resulting company as well as demerged company in relation to their debt up to the date of demerger. In case the resulting Company is made to pay the debt of such undertaking, it shall be entitled to seek reimbursement of the amount so paid from the Demerged Company.
20. The Composite Scheme of Arrangement is hereby sanctioned with the Appointed Date fixed as April 1, 2024, declared the same to be binding on the Petitioner Companies and their respective Shareholders.
21. The Transferor Companies are dissolved without winding up.
22. All the employees of the Demerged Undertaking of the Demerged Company, Transferor Company No. 1 and the Transferor Companies in service, on the date immediately preceding the date on which the Scheme takes effect i.e. the Effective Date, shall become the employees of the Resulting Company and Transferee Company respectively on such date, without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the concerned Companies on the said date.
23. The Petitioner Companies are directed to file a certified copy of this Order along with the Scheme duly authenticated/certified by the Deputy Registrar or the Joint Registrar or the Assistant Registrar,





THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH, COURT-I

C.P.(CAA)/23(MB)2025

C/W

C.A.(CAA)/162(MB)2024

National Company Law Tribunal, Mumbai Bench, with the concerned Registrar of Companies, electronically in e-form INC-28 within 30 (thirty) days from the date of receipt of the certified copy of this Order along with the Scheme.

24. The Petitioner Companies to lodge a copy of this Order and the Scheme duly authenticated by the Deputy /Assistant/Joint Registrar, as the case may be, of the National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the certified true copy of this Order.
25. Ordered Accordingly. CP(CAA)/23/MB-I/2025 is allowed and disposed of.

Sd  
Prabhat Kumar  
Member (Technical)

Sd  
Justice V.G. Bisht  
Member (Judicial)



Certified True Copy \_\_\_\_\_  
Date of Application 11/04/2025  
Number of Pages 17  
Fee Paid Rs. 85/-  
Applicant called for collection copy on 22/4/25  
Copy prepared on 22/4/25  
Copy Issued on 22/4/25

*P Singh*  
22/4/25

Deputy Registrar  
National Company Law Tribunal, Mumbai Bench

Exhibit 'H'

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**COMPOSITE SCHEME OF ARRANGEMENT**

**BETWEEN**

**CHEMBOND CHEMICALS LIMITED**  
(*"DEMERGED COMPANY" / "TRANSFEREE COMPANY"*)

**AND**

**CHEMBOND CHEMICAL SPECIALTIES LIMITED**  
(*"RESULTING COMPANY"*)

**AND**

**CHEMBOND CLEAN WATER TECHNOLOGIES LIMITED**  
(*"TRANSFEROR COMPANY NO. 1" OR "CCWTL"*)

**AND**

**CHEMBOND MATERIAL TECHNOLOGIES PRIVATE LIMITED**  
(*"TRANSFEROR COMPANY NO. 2" OR "CMTPL"*)

**AND**

**PHIROZE SETHNA PRIVATE LIMITED**  
(*"TRANSFEROR COMPANY NO. 3" OR "PSPL"*)

**AND**

**GRAMOS CHEMICALS (INDIA) PRIVATE LIMITED**  
(*"TRANSFEROR COMPANY NO. 4" OR "GCIPL"*)

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH SECTION  
66 OF THE COMPANIES ACT, 2013 ALONG WITH APPLICABLE RULES MADE  
THEREUNDER



## 1. PREAMBLE

- 1.1 This composite scheme of arrangement is presented under the provisions of sections 230-232 read with sections 66 and other applicable provisions of the Companies Act, 2013 (Act) as may be applicable, read with Section 2(19AA) and Section 2(1B) of the Income Tax, 1961 (IT Act); as may be applicable, to restructure the various businesses of the Demerged Company (as defined hereinafter) and its subsidiaries and associates (direct and indirect), as below:
- The Demerged Undertaking (as defined hereinafter) of the Demerged Company shall be transferred to and vested in the Resulting Company (as defined hereinafter);
  - The Transferor Company 1 (as defined hereinafter) shall be amalgamated with the Resulting Company; and.
  - the Transferor Company 2 (as defined hereinafter), the Transferor Company 3 (as defined hereinafter), and Transferor Company No. 4 shall be amalgamated with the Transferee Company (as defined hereinafter).
- 1.2 In addition, this composite scheme of arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

## 2. OVERVIEW OF THE SCHEME

- 2.1 The Scheme (as defined hereinafter) envisages the demerger of the Demerged Undertaking into the Resulting Company (elaborated in Section 1) in compliance with the provisions of Section 2(19AA) of the IT Act, such that:
- all the property of the Demerged Undertaking, being transferred by the Demerged Company immediately before the demerger, becomes the property of the Resulting Company by virtue of the demerger;
  - all the liabilities relating to the Demerged Undertaking, being transferred by the Demerged Company immediately before the demerger, become the liabilities of the Resulting Company by virtue of the demerger; and
  - the property and the liabilities of the Demerged Undertaking being transferred by the Demerged Company are transferred at values appearing in its books of account immediately before the demerger;
  - the Resulting Company issues, in consideration of the demerger, its shares to the shareholders of the Demerged Company on a proportionate basis;
  - The transfer of the Demerged Undertaking is on a going concern basis;
  - The demerger is in accordance with the conditions, if any, notified under sub-section (5) of Section 72A of the IT Act, by the Central Government in this behalf.
- 2.2 Upon the demerger of the Demerged Undertaking of the Demerged Company and its transfer to and vesting in the Resulting Company pursuant to the Scheme becoming effective on the Effective Date (as defined hereinafter), the Resulting Company will issue shares to the shareholders of the Demerged Company on the Record Date (as defined hereinafter), in accordance with the Share Exchange Ratio (as defined hereinafter) approved by the Board of Directors of each of the Demerged Company and the Resulting Company and pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the IT Act.



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2.3 The demerger of the Demerged Undertaking of the Demerged Company and its transfer to and vesting in the Resulting Company will be effective from the Appointed Date (as defined hereinafter) but will be operative from the Effective Date.

2.4 The Scheme also envisages amalgamation of:

- i. Transferor Company 1 with the Resulting Company (elaborated in Section II) (Amalgamation - I) and;
- ii. the Transferor Companies (as defined hereinafter) with the Transferee Company (elaborated in Section III) (Amalgamation - II)

in compliance with the provisions of Section 2(1B) of the IT Act, such that:

- a. all the properties of the Transferor Company No. 1 immediately before the amalgamation, shall become the property of the Resulting Company by virtue of Amalgamation - I and all the properties of the Transferor Companies immediately before the amalgamation, shall become the property of the Transferee Company, by virtue of Amalgamation - II;
- b. all the liabilities of the Transferor Company No. 1 immediately before the amalgamation, shall become the liabilities of the Resulting Company by virtue of Amalgamation - I and all the liabilities of the Transferor Companies immediately before the amalgamation, shall become the liabilities of the Transferee Company, by virtue of Amalgamation - II;
- c. Transferor Company No. 1 will become an indirect wholly owned subsidiary of the Resulting Company pursuant to the demerger and hence, in consideration for Amalgamation - I, the Resulting Company shall not issue any shares under the Scheme. The existing shareholding of the Transferor Company No. 1 will get cancelled pursuant to the Scheme;
- d. Transferor Companies are wholly owned subsidiaries and/or step-down subsidiaries of the Transferee Company, and hence, in consideration, the Transferee Company shall not issue any shares under the Scheme. The existing shareholding of the Transferor Companies will get cancelled pursuant to the Scheme.

2.5 Demerger, Amalgamation - I and Amalgamation II will be effective from the Appointed Date but will be operative from the Effective Date.

2.6 The Demerger shall precede the Amalgamation - I and Amalgamation - II and Amalgamation - I shall precede Amalgamation - II

2.7 If any of the terms or provisions of the Scheme are found inconsistent with the provisions of Section 2(1B) or Section 2(19AA) of the IT Act, 1961, at a later date, including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) or Section 2(19AA) of the IT Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) or Section 2(19AA) of the IT Act, 1961. Such modifications however, will not affect other parts of the Scheme.

2.8 The Scheme is in accordance with the provisions of Memorandum of Association and Article of Association of the Companies.

3. RATIONALE OF THE SCHEME

3.1 The Chembond group, represented by the Demerged Company, viz. Chembond Chemicals Limited and its subsidiaries, step-down subsidiaries and step-down associates, is a well known name in India and engaged in manufacturing a diverse range of specialty chemicals and all products like water treatment, metal treatment, construction chemicals, high performance



coatings, animal health, industrial adhesives and sealants and tolling. The Demerged Company has excellent infrastructure facilities like a well-equipped R & D laboratory, multiple regional offices, and production plants, well trained personnel and references across several business segments from the best-known companies in the field. The Demerged Company has come a long way and evolved from being a fledging start-up to India's leading specialty chemicals manufacturer. Based on the aforesaid, the Demerged Company's several businesses carried on by itself and through its subsidiary and step down subsidiary companies and associate companies can broadly be segregated into the following areas: (i) Water Technologies; (ii) Material Technologies; (iii) Construction Chemicals; (iv) Biotechnology; (v) Distribution; (vi) Tolling (vii) Adhesives; and (viii) Industrial Sealants.

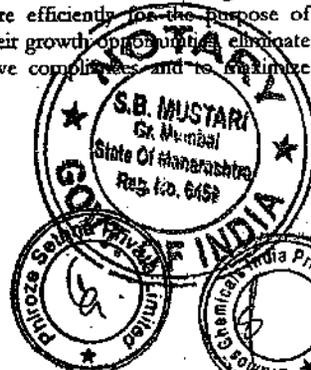
3.2 Each of the several businesses carried on by the Demerged Company by itself and through its subsidiaries, step-down subsidiaries and step-down associate, including CC & WT Business (as defined hereinafter) has significant potential for growth. The nature of risk and competition involved in each of these businesses is distinct from others and consequently each business or undertaking can attract a different set of investors, strategic partners, leaders, and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed. In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of each of its diverse businesses, Demerged Company proposes to re-organize and segregate, by way of a demerger of its Demerged Undertaking and vesting of the same in the Resulting Company and subsequently, amalgamation of the Transferor Companies with the Transferee Company.

3.3 The proposed demerger pursuant to this Scheme is expected, inter alia, to result in following benefits:

- a. segregation and unbundling of the CC & WT Business of the Demerged Company into the Resulting Company, which will enable enhanced focus on Retained Business (as defined hereinafter) the Demerged Company and Resulting Company for exploiting opportunities of each of their businesses;
- b. unlocking of value for the shareholders of the Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth;
- c. logistics alignment leading to economies of scale for the Resulting Company and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and
- d. enhancing competitive strength, achieving cost optimisation, ensuring benefits through focused management of the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Company and the Demerged Company thereby significantly contributing to future growth and maximizing shareholders' value.

3.4 Upon completion of proposed demerger, Transferor Company No. 1 will become a step-down subsidiary of the Resulting Company. The proposed Amalgamation - I and Amalgamation - II of the subsidiary companies (direct and indirect) into their respective holding company pursuant to this Scheme is expected, inter alia, to result in the following benefits:

- a. It will lead to greater efficiency in overall combined business including economies of scale, efficiency of operations, cash flow management and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the combined entity and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances and to maximize shareholders value;



- b. It will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company which will fuel the growth of the business and help effectively address the growing competition;
- c. It will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs which will in turn promote maximization of stakeholders value;
- d. It will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company No. 1, Resulting Company, Transferor Companies and the Transferee Company; and
- e. In summary, the proposed restructuring focuses on optimizing the operational structure to enable better focus, specialization, and efficiency across different business segments, ultimately leading to increased shareholder value and sustained growth for the entities involved.
- 3.5 The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the Companies (as defined hereinafter).

#### 4. NO ARRANGEMENT WITH THE CREDITORS

- 4.1 Under the proposed Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and/or unsecured creditors of the Companies. The liability towards the creditors of the Demerged Undertaking and the Transferor Company No. 1 are neither being reduced nor being extinguished but shall be assumed and discharged by the Resulting Company in its ordinary course of business. Similarly, the liability towards the creditors of the Transferor Companies are neither being reduced nor being extinguished but shall be assumed and discharged by the Transferee Company, in its ordinary course of business.

#### 5. PARTS OF THE SCHEME

The Scheme (as defined hereinafter) is divided into the following Sections:

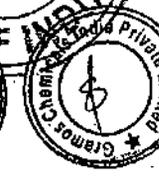
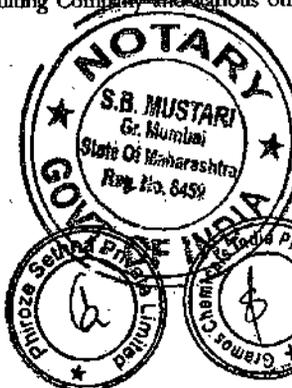
##### 5.1 SECTION I

#### DEMERGER OF THE DEMERGED UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

**Part A:** Deals with the background and description of the Companies, Definitions and Share Capital.

**Part B:** Deals with demerger of the Demerged Undertaking of the Demerged Company (as defined hereinafter) and vesting of the same in the Resulting Company (as defined hereinafter), in accordance with Section 2 (19AA) of the IT Act (as defined hereinafter) and Sections 230 to 232 of the Act (as defined hereinafter) and/ or other relevant provisions of the Act (as defined hereinafter).

**Part C:** Deals with the payment of consideration, reorganization of share capital and the accounting treatment in the books of the Demerged Company and the Resulting Company and various other matters consequential or otherwise integrally connected herewith.



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5.2 SECTION II

**AMALGAMATION - I: AMALGAMATION OF THE TRANSFEROR COMPANY NO. 1 WITH THE RESULTING COMPANY**

Part A: Deals with the background and description of the companies, definitions and share capital.

Part B: Deals with amalgamation of the Transferor Company No. 1 with the Resulting Company, in accordance with Section 2 (1B) of the IT Act and Sections 230 to 232 of the Act and/ or other relevant provisions of the Act.

Part C: Deals with the payment of consideration, reorganization of share capital and the accounting treatment in the books of the Resulting Company and various other matters consequential or otherwise integrally connected herewith.

5.3 SECTION III

**AMALGAMATION - II: AMALGAMATION OF THE TRANSFEROR COMPANIES INTO THE DEMERGED COMPANY/TRANSFEREE COMPANY**

Part A: Deals with the background and description of the companies, definitions and share capital.

Part B: Deals with amalgamation of the Transferor Companies with the Demerged Company/Transferee Company, in accordance with Section 2 (1B) of the IT Act and Sections 230 to 232 of the Act and/ or other relevant provisions of the Act.

Part C: Deals with the payment of consideration, reorganization of share capital and the accounting treatment in the books of the Demerged Company and various other matters consequential or otherwise integrally connected herewith.

5.4 SECTION IV

Section IV Deals with the general terms and conditions applicable to the Scheme.



SECTION I

DEMERGER OF THE DEMERGED UNDERTAKING AND VESTING OF THE SAME IN THE RESULTING COMPANY

PART A

6. BACKGROUND AND DESCRIPTION OF THE COMPANIES

6.1 Chembond Chemicals Limited ("Demerged Company" / "Transferee Company") is a Company incorporated on March 22, 1975 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Chembond Chemicals Private Limited". Subsequently its name was changed to "Chembond Chemicals Limited". The Registered Office of the Demerged Company is situated at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Demerged Company is engaged in the business of manufacturing a diverse range of specialty chemicals and products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The equity shares of the Demerged Company are listed on BSE (as defined hereinafter) and NSE (as defined hereinafter). The Corporate Identification Number of the Demerged Company is L24100MH1975PLC018235.

6.2 Chembond Chemical Specialties Limited ("Resulting Company") is a Company incorporated on December 12, 2023 in the State of Maharashtra under the Companies Act, 2013 in the name and style of "Chembond Chemical Specialties Limited". The Registered Office of the Resulting Company is situated at Plot No. EL-37, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Resulting Company was formed with the object to carry on the business of Specialty chemicals including but not limited to Construction chemicals and Water Treatment Chemicals. The Corporate Identification Number of the Resulting Company is U20116MH2023PLC415282.

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

6.4 In terms of Section I of this Scheme, it is now proposed, inter alia, to demerge the Demerged Undertaking, and vest the same with the Resulting Company pursuant to and in accordance with Sections 230-232 read with Section 66 of the Act (as defined hereinafter), if applicable, and/or other relevant provisions of the Act (as defined hereinafter), in the manner provided for in Section I of the Scheme.

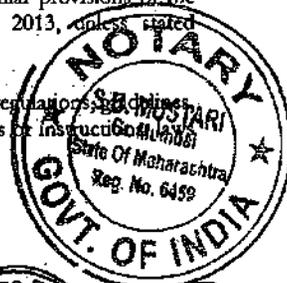
6.5 The demerger of the Demerged Undertaking and vesting of the same in the Resulting Company pursuant to and in accordance with Section I of this Scheme will be in accordance with Section 2(19AA) of the IT Act (as defined hereinafter).

7. DEFINITIONS

For the purposes of Section I of this Scheme, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as mentioned herein below:

7.1 "Act" means the Companies Act, 2013, and ordinances, rules and regulations made thereunder, and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force. References in this Scheme to particular provisions of the Act, are references to particular provisions of the Companies Act, 2013, unless stated otherwise.

7.2 "Applicable Laws" shall mean any statute, notification, bye-laws, rules, regulations, common law, policy, code, directives, ordinance, schemes, notices, orders or instructions.



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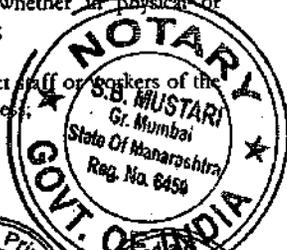
enacted or issued or sanctioned by any appropriate authority in India including any modifications or re-enactment thereof for the time being in force.

- 7.3 "Appointed Date" means the commencement of business hours of April 1, 2024 with effect from which all the sections of this Scheme will be deemed to be effective.
- 7.4 "Board of Directors" or "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.
- 7.5 "BSE" means BSE Limited and includes any successor thereof.
- 7.6 "CC & WT Business" means the construction chemicals, water technologies and cleaning & hygiene businesses of manufacturing, selling, distribution and trading of chemicals, including chemicals used in construction and civil repair industry as well as in relation to chemicals, equipment and services required for water treatment.
- 7.7 "Companies" means collectively the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3 and the Transferor Company No. 4.
- 7.8 "Demerged Company" means Chembond Chemicals Limited a listed company, incorporated on March 22, 1975 in the State of Maharashtra under the Companies Act, 1956 and having its Registered Office at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710.
- 7.9 "Demerged Undertaking" means the CC & WT Business of the Demerged Company as identified by the board of directors of Demerged Company and Resulting Company, to be transferred to Resulting Company on a going concern basis with effect from the Appointed Date, comprising, inter alia, of all assets, movable and immovable properties, liabilities, permits, licenses, registrations, approvals, contracts, and employees, in relation to and pertaining to such business and shall include without limitation:
  - a. all properties and assets 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, furniture, fixtures, office equipment, appliances, accessories, vehicles, investments, stocks, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds, powers, authorities, licenses, permits, registrations, quotas, allotments, consents, privileges, liberties, advantages, easements 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 with respect to the CC & WT Business;
  - b. all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, contracts, schemes, concession agreements, insurance covers and claims, clearances and other instruments of



whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the CC & WT Business;

- c. all investments in equity shares, securities, working capital and loans & advances in so far as it related to the CC & WT Business, including equity investments of the Demerged Company in Chembond Water Technologies Limited, Chembond Calvatis Industrial Hygiene Systems Limited, and Chembond Distribution Limited
- d. all applications (including hardware, software, licenses, source codes, para-meterisation and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the CC & WT Business under;
- e. all tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under Tax Laws including sales tax deferrals and minimum alternate tax paid under Section 115JA/115JB of the Income-tax Act, advance taxes, tax deducted at source, right to carry forward and set-off accumulated losses and unabsorbed depreciation, if any, deferred tax assets, minimum alternate tax credit, goods and service tax credit, deductions and benefits under the Income-tax Act or any other taxation statute enjoyed by the Demerged Company with respect to CC & WT Business;
- f. all debts, liabilities including contingent liabilities, duties, taxes and obligations of the Demerged Company pertaining to the CC & WT Business and/or arising out of and/or relatable to the CC & WT Business including;
- g. the debts, liabilities, duties and obligations of the Demerged Company which arises out of the activities or operations of the CC & WT Business;
- h. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the CC & WT Business;
- i. in cases other than the specifically identified borrowings, 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 bears to the total value of the assets of the Demerged Company immediately prior to the Effective Date;
- j. all Proceedings of whatsoever nature that pertain to the CC & WT Business;
- k. all Permits, licenses, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, trademarks, designs, copyrights, patents, and other intellectual property rights of the Demerged Company pertaining to CC & WT Business, whether registered or unregistered and powers of every kind, nature and description whatsoever, whether from the government bodies or otherwise, pertaining to or relating to CC & WT Business;
- l. all books, records, files, papers, 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 relating to CC & WT Business;
- m. all permanent and/or temporary employees, workmen, staff, contract staff or workers of the Demerged Company engaged in the business of the CC & WT Business;



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Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by the Board of Directors of the Demerged Company and the Resulting Company.

Further the Board of Directors of the Demerged Company and the Resulting Company may mutually decide the modalities/commercial arrangement between the said companies with regard to utilization of resources to ensure smooth transition and functioning of the respective businesses.

- 7.10 "Effective Date" means the date on which the last of the conditions in Clause 46 of Section IV of the Scheme are complied with and Sections I, Section II, Section III and Section IV of the Scheme are made effective with effect from the Appointed Date.
- 7.11 "Governmental Authority" means any applicable Central, State or Local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any Court, Tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Official Liquidators, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, Insurance Regulatory and Development Authority of India or arbitration or arbitral body having jurisdiction, Tribunal and other government and regulatory authorities of India.
- 7.12 "Income-tax Act or IT Act" means the Income-tax Act, 1961 (43 of 1961), the rules made thereunder and will include any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force.
- 7.13 "Intellectual Property Rights" means and includes patents, trademarks, service marks, registered designs, data base rights, trade or business names, know-how, dossiers, marketing authorizations, copy-rights, domain name rights and any other intellectual property rights and rights of a similar and corresponding nature in any part of the world, whether registered or not and whether capable of registration or not.
- 7.14 "NSE" means National Stock Exchange of India Limited and includes any successor thereof;
- 7.15 "Tribunal" means the National Company Law Tribunal, Mumbai bench having jurisdiction in relation to the Companies and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of Tribunal to sanction the Scheme under the Act.
- 7.16 "Resulting Company" means Chembond Chemical Specialties Limited, an unlisted company, incorporated on December 12, 2023, in the State of Maharashtra under the Companies Act, 2013 and having its Registered Office at EL-37 MIDC Mahape, Navi Mumbai 400710, Maharashtra, India;
- 7.17 "Record Date" has the meaning ascribed to it in Clause 11.1 of Section I of this Scheme;
- 7.18 "Registrar of Companies or ROC" shall mean the relevant Registrar of Companies having territorial jurisdiction in the states(s) in which the respected Registered Office of the Companies are located;
- 7.19 "Retained Business of the Demerged Company" means all undertakings, investments, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking.



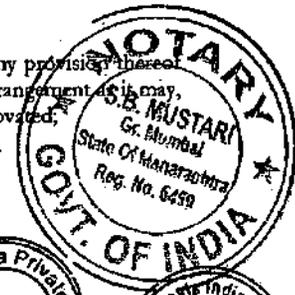
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- 7.20 "Scheme" or "the Scheme" or "this Scheme" means this Composite Scheme of Arrangement in its present form or with any modification(s) made hereunder in this Scheme as approved or directed by the Hon'ble Tribunal and which is acceptable to the Board of Directors of the Companies;
- 7.21 "SEBI" means the Securities and Exchange Board of India;
- 7.22 "SEBI Circulars" means Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the SEBI on June 20, 2023 (as amended from time to time) or any other circulars issued by SEBI applicable to schemes of arrangement from time to time;
- 7.23 "Stock Exchanges" means BSE Limited and National Stock Exchange of India Limited collectively;

The expressions, which are used in this Section I of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section II, Section III or Section IV of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

**8. INTERPRETATIONS**

- 8.1 All terms and words 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, the IT Act, the Securities Contracts (Regulation) Act, Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other Applicable Laws, rules, regulations, bye-laws, as the case may be, or any statutory modification(s) or re-enactment(s) thereof from time to time.
- 8.2 In this Scheme, unless the context otherwise requires:
  - a. references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
  - b. the headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are inserted for ease of reference only and shall not form part of the operative provisions of this Scheme and shall not affect the construction or interpretation of this Scheme;
  - c. words in the singular shall include the plural and vice-versa;
  - d. words "include" and "including" are to be construed without limitation;
  - e. terms "hereof", "herein", "hereby", "hereto" and derivative or similar words shall refer to this entire Scheme or specified clauses of this Scheme, as the case may be;
  - f. a reference to "writing" or "written" includes printing, typing, lithography and other means of reproducing words in a visible form including e-mail;
  - g. reference to any agreement, contract, document or arrangement or to any provision thereof shall include references to any such agreement, contract, document or arrangement as it may, after the date hereof, from time to time, be amended, supplemented or novated.



- b. reference to the recital or clause shall be a reference to the recital or clause of this Scheme; and
- i. references to any provision of law or legislation or regulation shall include: (a) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability thereunder may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced, (b) all subordinate legislations (including circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation) made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment.

**9. SHARE CAPITAL**

9.1 The share capital of the Demerged Company as on March 31, 2023 was as under:

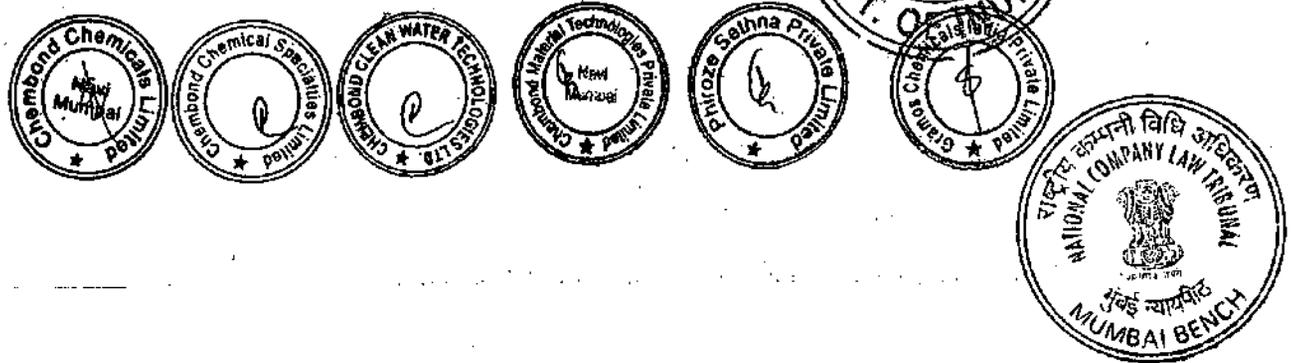
Particulars	Amount (in Rs.)
<b>Authorized Capital</b>	
2,00,00,000 Equity Shares of Rs.5/- (Rupees Five Only) each	100,000,000
<b>Total</b>	<b>100,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
134,48,288 Equity Shares of Rs.5/- (Rupees Five Only) each	6,72,41,440
<b>Total</b>	<b>6,72,41,440</b>

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Demerged Company.

The equity shares of the Demerged Company are listed on BSE and NSE.

9.2 The main object of the Demerged Company are as below:

1. To carry on the business whether in India or outside India of manufacturing, producing, processing, mixing, blending, refining, formulating, buying, selling, distributing or otherwise dealing in all kinds and varieties of chemicals including but not limited to speciality chemicals, intermediates, or chemical mixtures, additives, adhesives, cleaning agents, bonding agents, waterproofing compound, chemicals for coating or otherwise, organic / inorganic chemicals, resins, resins based chemicals, corrosion inhibitors, surface treatment of ferrous and non-ferrous metals and other substrates for anti-corrosive, paint adhesion or lubricity purposes, electrolytic cleaners, chemical paint strippers, chemically treated cloth, face mask and other material for dust control and removal, chemicals and polishes for finished products, plastic compounds, particularly polyvinyl chloride, liquid plastic membranes, liquid plastic coating materials and chemicals of all types, all kinds of paints, enamels, varnishes, coatings, enzymes, sealants etc., whole range of water and waste water treatment chemicals, systems and machineries, water management solutions, water treatment membranes, oilfield and process chemicals, textile chemicals, bio-based chemicals, bio-remediation cultures and chemicals, engineering polymers and materials, Bio based polyamides used as engineering and performance plastics, high performance polymers for commodity and automobile applications, high performance and high temperature withstanding plasticizers as lubricating additive for rolling steel application, synthesis and characterization of monomers for high performance differentiated polyimides, Electronic instruments and smart automation products.
2. To carry on all or any business of manufacturers, dealers or processors in the field of pretreatment of ferrous and non-ferrous metals for anti-corrosive and paint adhesion purposes.



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3. To carry on all or any of the business of Chemical Engineers, Manufacturers, dealers in chemicals and as inventors, exploiters or all types of processes on the field of chemicals and the pre-treatment for anticorrosive and paint adhesive purposes of metals and metallic substances.
4. To undertake and execute or sub-contract whole or in part any engineering contracts for supply, manufacture, use or application of all types of the above products, either for construction, repairs, maintenance, coating, bonding or otherwise and to undertake and carry out construction and development activities, facility management, project management consultancy, technical equipments and installations, providing performance monitoring services, undertaking operating and maintenance contracts, offering EPC and design engineering services.
5. To establish, operate, propagate, manufacture, produce, cultivate, process, do research and development, test, analyze, collaborate, import, export, sell, purchase or otherwise deal in marketing or multi-marketing of healthcare and nutrition products, food or food supplements for cattle, livestock, poultry, pets, fishes and all living species, whether for healthcare, nutrition or bioscience (any of the life sciences) related purposes. Products can include any chemicals, drugs, intermediates, plants, herb and vegetable extracts, marine / sea foods, natural or genetically modified organisms or organism derived products, manufactured through plants & machinery, fermentation, membrane processing, or through any other processing.
6. To undertake, conduct, promote or carry on or to help to undertake, conduct, promote or carry on either the scientific and/ or industrial research and developmental activities to develop new products or substitute for existing / imported products and to develop and maintain testing house and laboratory for own use and for others either solely or in association with others in connection with the Company's object or trade or businesses or any of them.
7. To carry on any other business (whether manufacturing or otherwise), which may seem to the Company capable of being conveniently or advantageously carried on in connection with the Company's objects or which it may feel advisable to undertake with a view to developing, rendering valuable prospect or turning to account or in which the Company may be interested."

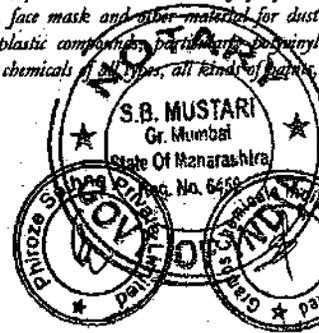
9.3 The share capital of the Resulting Company as on December 12, 2023 was as under:

Particulars	Amount (in Rs.)
<b>Authorized Capital</b>	
10,000 Equity Shares of Rs.5/- (Rupees Five Only) each	50,000
<b>Total</b>	<b>50,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
10,000 Equity Shares of Rs.5/- (Rupees Five Only) each	50,000
<b>Total</b>	<b>50,000</b>

The equity shares of the Resulting Company are not listed on any stock exchanges.

9.4 The main object of the Resulting Company are as below:

1. "To carry on the business whether in India or outside India of manufacturing, producing, processing, trading, mixing, blending, refining, formulating, buying, selling, distributing or otherwise dealing in all kinds and varieties of chemicals including but not limited to speciality chemicals, intermediates, or chemical mixtures, admixtures, repair and bonding chemicals, water proofing chemicals, surface treatment, tiling chemicals, sealants, additives, adhesives, grouts and anchors, cleaning agents, bonding agents, waterproofing compound, chemicals for coating or otherwise, organic / inorganic chemicals, resins, resins based chemicals, corrosion inhibitors, surface treatment of ferrous and non-ferrous metals and other substrates for anti-corrosive, paint adhesion or lubricity purposes, electrolytic cleaners, chemical paint strippers, chemically treated cloth, face mask and other materials for dust control and removal, chemicals and polishes for finished products, plastic compounds, polyethylene glycol, polyvinyl chloride, liquid plastic membranes, liquid plastic coating materials and chemicals of all types, all kinds of paints,



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enamels, varnishes, coatings, enzymes, sealants etc, whole range of water and waste water treatment chemicals, systems and machineries, water management solutions, water treatment membranes, oilfield and process chemicals, textile chemicals, bio-based chemicals, bio-remediation cultures and chemicals, engineering polymers and materials, Bio based polyamides used as engineering and performance plastics, high performance polymers for commodity and automobile applications, high performance and high temperature withstanding plasticisers as lubricating additive for rolling steel application, synthesise and characterization of monomers for high performance differentiated polyimides, Electronic instruments and smart automation products."



**PART B**

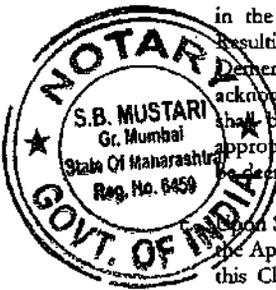
**10. DEMERGER OF THE DEMERGED UNDERTAKING OF THE DEMERGED COMPANY AND VESTING OF THE SAME IN THE RESULTING COMPANY**

10.1 Subject to the provisions of Section I of the Scheme in relation to the modalities of demerger and vesting, upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Demerged Undertaking, together with all their respective properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall demerge from the Demerged Company be transferred to, and stand vested in, the Resulting Company, and shall become the property of and an integral part of the Resulting Company, subject to existing encumbrances (unless otherwise agreed to by the encumbrance holders), without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, the Demerged Undertaking shall stand transferred and vested in the Resulting Company, in the manner described in subparagraphs (a) - (m) below:

a. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all immovable property pertaining to the Demerged Undertaking, whether freehold or leasehold (including the right to use the land on which the CC & WT Business is located and any documents of title, rights and easements in relation thereto, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company, and without any approval or acknowledgement of any third party. Upon Section I of the Scheme coming into effect on the Effective Date, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfill all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Resulting Company, by the appropriate authorities pursuant to the sanction of the Scheme by the Tribunal and Section I of the Scheme becoming effective on the Effective Date in accordance with the terms hereof. The Demerged Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Demerged Undertaking is given to the Resulting Company in accordance with the terms hereof.

b. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recordal pursuant to the Scheme, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.

c. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts and receivables as of Appointed Date due to the Resulting Company from the Demerged Company as a result of the implementation of Section I of the Scheme), outstanding loans and advances, if any, relating to the Demerged Undertaking, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other



authorities and bodies, customers and other persons shall, without any act, instrument or deed required by either the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party become the property of the Resulting Company.

- d. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the Demerged Undertaking, whether provided for or not in the books of accounts of the Demerged Company or disclosed in the balance sheet of such Demerged Undertaking, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT Act, shall become and be deemed to be, the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company. The Resulting Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, the Demerged Company and the Resulting Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Tribunal or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Resulting Company as part of the Demerged Undertaking and/or in relation to the assets remaining in the Demerged Company after the demerger and vesting of the Demerged Undertaking in the Resulting Company pursuant to Section I of this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to the Demerged Undertaking have been discharged by the Demerged Company on behalf of the Demerged Undertaking after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Demerged Company for and on behalf of the Resulting Company.
- e. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all incorporeal or intangible property of or in relation to the Demerged Undertaking shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed required by either the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.
- f. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all letters of intent, memoranda of understanding, memoranda of agreements, tenders, bids, experience and/or performance statements, contracts, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, shall be in full force and effect against or in favour of the Resulting Company and may be enforced by or against it as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.
- g. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all rights, entitlements, licenses, permits, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered, unregistered or pending registration, including the joint right to use the brand name "Chembond" and its logo and other brands, and the goodwill arising therefrom, relating to the Demerged



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Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, shall be extended (including joint right to use the brand name "Chembond" and its logo and other brands) to the Resulting Company. Accordingly, the joint rights to use the Chembond brand and other brands shall remain with both, the Demerged Company and the Resulting Company.

h. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, offices, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses comprising of unabsorbed depreciation), sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit, goods and service tax credit), facilities of every kind and description of whatsoever nature, in relation to the Demerged Undertaking to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party.

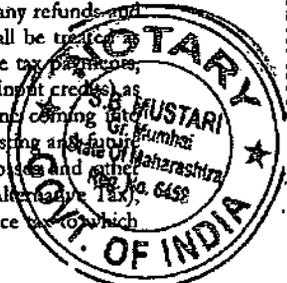
i. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, any statutory or regulatory licenses, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Demerged Undertaking or granted to the Demerged Company in relation to the Demerged Undertaking shall stand transferred and vested in the Resulting Company, without any further act, instrument or deed required by either of the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights (including environmental approvals and consents) required to carry on the operations of the Demerged Undertaking shall also stand transferred and vested in and become available to the Resulting Company pursuant to Section I of this Scheme without any further act, instrument or deed required by either the Demerged Company or the Resulting Company and without any approval or acknowledgement of any third party. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this sub-clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to Section I of the Scheme becoming effective in accordance with the terms hereof.

j. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resulting Company shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Demerged Company in connection with the Demerged Undertaking. If any suit, appeal or other proceeding of whatever nature by or against the Demerged Company in connection with the Demerged Undertaking be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of such Demerged Undertaking and transfer and vesting of the same in the Resulting Company or of anything contained in Section I of this Scheme but the proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the Demerged Company as if Section I of this Scheme had not been made effective. Upon Section I of the Scheme becoming effective, the Resulting Company undertakes to have such legal or other proceedings initiated by or against the Demerged Company in relation to the Demerged Undertaking transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would have been continued, prosecuted and enforced by or against the Demerged Company as if Section I of this Scheme had not been made effective.



enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company also undertakes to handle all legal or other proceedings which may be initiated against the Demerged Company in connection with the Demerged Undertaking after the Effective Date in its own name and account and further undertakes to pay all amounts including interest, penalties, damages etc., pursuant to such legal/ other proceedings.

- k. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all persons that were employed in the Demerged Company in connection with the Demerged Undertaking immediately before such date shall become employees of the Resulting Company, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. It is clarified that such employees of the Demerged Company that become employees of the Resulting Company by virtue of Section I of this Scheme coming into effect, shall continue to be governed by the terms of employment as were applicable to them immediately before such transfer (including in relation to stock options except to the extent modified by this Scheme) and shall not be entitled to be governed by employment policies, and shall not be entitled to avail of any benefits under any scheme or settlement or otherwise that are applicable and available to any other employees of the Resulting Company, unless and otherwise so stated by the Resulting Company in writing in respect of all employees, class of employees or any particular employee. The Resulting Company undertakes to continue to abide by any agreement/ settlement, if any, entered into by the Demerged Company, in relation to the Demerged Undertaking, in respect of such employees with their respective employees/ employee unions, if any. With regard to the provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948, or any other special fund or obligation created or existing for the benefit of such employees of the Demerged Company, upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits, contributions made under the Employees State Insurance Act, 1948, or any other special benefits or obligation, if any, created by the Demerged Company for the employees of the Demerged Undertaking shall be continued by the Resulting Company for the benefit of such employees on the same terms and conditions. It is the aim and intent of Section I of the Scheme that all the rights, duties, powers and obligations of the Demerged Company in relation to such schemes or benefits shall become those of the Resulting Company. Further, upon Section I of the Scheme coming into effect, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Demerged Company in relation to the Demerged Undertaking shall be continued/continue to operate against the relevant employee and shall be enforced effectively by the Resulting Company.
- l. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all taxes paid or payable by the Demerged Company in relation to the Demerged Undertaking including all carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits of the Demerged Undertaking) shall be treated as the carry forward tax losses comprising of unabsorbed depreciation, advance tax payments, tax deducted at source, tax liabilities or refunds/ claims (including unutilized input credits) as the case may be, of the Resulting Company. Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternate Tax), excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax, which



The Demerged Company is entitled in relation to the Demerged Undertaking shall be available to and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Demerged Company and without any approval or acknowledgement of any third party. Upon Section I of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, any tax deducted at source deducted by or on behalf of the Demerged Company until the Effective Date shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the Demerged Undertaking during such period.

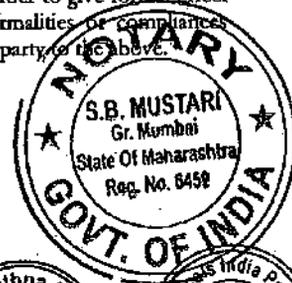
m. Upon Section I of the Scheme coming into effect on the Effective Date, the Demerged Company and the Resulting Company shall be entitled to file/ revise/reopen their respective financial statements (including balance sheet and profit and loss statement) and its statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/ TDS/minimum alternate tax credits as may be required consequent to the implementation of Section I of the Scheme.

10.2 The Demerged Company and/or the Resulting Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/novate the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Demerged Undertaking. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Tribunal, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.

10.3 The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

10.4 The Resulting Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Tribunal.

10.5 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Demerged Undertaking into the Resulting Company by virtue of Section I of the Scheme, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Demerged Undertaking in favour of the Resulting Company, 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 Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations, or other writings or tripartite arrangements with any party to any contract or arrangement in relation to Demerged Undertaking, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above. The Resulting Company will, if necessary, also be a party to the above.



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**10.6 Conduct of Business**

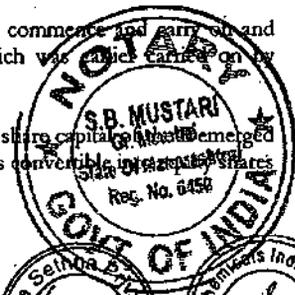
10.6.1 With effect from the date of approval of this Scheme by the respective Boards and up to and including the Effective Date:

- a. The Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its estates, properties, rights, title, interest, authorities, contracts and investments and assets forming part of the Demerged Undertaking for and on account of and in trust for Resulting Company.
- b. All the profits or income accruing or arising to Demerged Company and expenditure or losses arising or incurred or suffered by Demerged Company which form part of Demerged Undertaking, for the period commencing from the Appointed Date shall, for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Resulting Company, except for profits or income accruing to the Retained Business of Demerged Company.
- c. Demerged Company undertakes that it will preserve and carry on the business of the Demerged Undertaking and hold its said assets with reasonable diligence and business prudence and shall not undertake financial commitments in respect of, or sell, transfer, alienate, charge, mortgage, or encumber, the Demerged Undertaking or any part thereof or recruit new employees or conclude settlements with union or employees without the concurrence of Resulting Company or undertake substantial expansion or change the general character or nature of the business of the Demerged Undertaking or any part thereof save and except in each case:
  - 1. if the same is in its ordinary course of business;
  - 2. if the same is expressly permitted by this Scheme; or
  - 3. if the prior consent of the Resulting Company has been obtained.

10.6.2 Subject to the provisions of Clause 10.6.1 hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Demerged Undertaking does not get automatically transferred to the Resulting Company upon Section I of the Scheme coming into effect on the Effective Date, the Demerged Company shall take all necessary steps and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Resulting Company forthwith after the Effective Date without any further consideration and until the transfer of any such asset, the Resulting Company will have the right to use the same without payment of any additional consideration. It is clarified that even after Section I of the Scheme comes into effect on the Effective Date, the Demerged Company shall, with the written consent of the Resulting Company, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Demerged Undertaking in trust and at the sole cost and expense of the Resulting Company in so far as may be necessary until all rights and obligations of the Demerged Company in respect of such pending contracts, arrangements or obligations stand fully devolved to and in favour of the Resulting Company.

10.6.3 With effect from the Effective Date, Resulting Company shall commence and carry on and shall be authorized to carry on the CC & WT Business which was being carried on by Demerged Company.

10.6.4 In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company, issuance of any instruments convertible into shares



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or restructuring of their respective equity share capital including by way of consolidation, share split, issue of bonus shares, or other similar action, that occurs before the issuance of equity shares of the Resulting Company, the Share Entitlement Ratio, may be appropriately adjusted to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

**10.7 Retained Business of Demerged Company**

10.7.1 The Retained Business of Demerged Company and all the assets, properties, rights, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Demerged Company, and Resulting Company shall have no right, claim or obligation in relation to the Retained Business of Demerged Company

10.7.2 All legal, taxation and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against Demerged Company under any statute, whether relating to the period prior to or after the Appointed Date and whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Retained Business of Demerged Company (including those relating to any property, right, power, liability, obligation or duty of Demerged Company in respect of the Retained Business of Demerged Company and any income tax related liabilities) shall be continued and enforced by or against Demerged Company even after the Effective Date.

**10.7.3 Upto and including the Effective Date:**

- a. Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Retained Business of Demerged Company for and on its own behalf;
- b. all profits accruing to Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Retained Business of Demerged Company shall, for all purposes, be treated as the profits or losses, as the case may be, of Demerged Company; and
- c. all assets and properties acquired by Demerged Company in relation to the respective Retained Business of Demerged Company on and after the Appointed Date shall belong to and continue to remain vested in Demerged Company.



PART C

11. CONSIDERATION

11.1 Upon Section I of the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, and upon the transfer of the Demerged Undertaking and vesting of the same in the Resulting Company, the Board of Directors of the Resulting Company shall determine a record date, being a date subsequent to the filing of the order of the Tribunal sanctioning the Scheme with the RoC ("Record Date") for the allotment of (i) equity shares having face value of Rs. 5 (Rupees Five) each of Resulting Company, credited as fully paid up; to the equity shareholders of the Demerged Company as on the Record Date, in consideration for the demerger of the Demerged Undertaking.

11.2 The Board of Directors of the Resulting Company and the Demerged Company, respectively have determined the share entitlement ratio, such that:

(a) for every 1 (One) fully paid-up equity share having face value of Rs. 5 (Rupees Five) each held in the Demerged Company as on the Record Date, the equity shareholders of the Demerged Company shall be issued 2 (Two) fully paid-up equity shares having face value of Rs. 5 (Rupees Five) each, in the Resulting Company.

11.3 The equity shares to be issued by the Resulting Company shall be issued in dematerialized form to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the shareholders to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. All those shareholders who hold shares of the Demerged Companies in physical form shall also receive the equity shares to be issued by Resulting Company, in dematerialized form provided the details of their account with the depository participant are intimated in writing to the Demerged Company and/ or its registrar provided such intimation has been received by the Demerged Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then such shares shall be kept in demat suspense account which shall be operated by the Directors of the Resulting Company for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participants accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the Resulting Company, as per the Applicable Law, till then physical shareholders will be shown as beneficiaries in the demat suspense account.

11.4 In the event of any increase in the issued, subscribed or paid up share capital of the Demerged Company or the Resulting Company, issuance of any instruments convertible into equity shares or restructuring of their respective equity share capital including by way of consolidation, share split, issue of bonus shares, qualified institutional placement or other similar action, as per applicable laws, that occurs after the date of approval of the Scheme by the respective Boards and before issuance of shares to the shareholders of the Demerged Company pursuant to Clause 11.2, the Share Entitlement Ratio will be appropriately adjusted to take into account the effect of such issuance or corporate actions and assuming conversion of any such issued instruments convertible into equity shares.

11.5 The equity shares to be issued and allotted by Resulting Company to the equity shareholders of Demerged Company shall be subject to the Scheme, the memorandum and articles of association of Resulting Company and applicable laws shall rank pari passu in all respect with the then existing equity shares of Resulting Company.



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- 11.6 The fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares.
- 11.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Demerged Company, the Board of 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 Demerged Company, after the effectiveness of this Scheme. The Board of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in Demerged Company on account of difficulties faced in the transaction period.
- 11.8 The share entitlement ratio stated in Clause 11.2 above has been determined and agreed upon by the respective boards of directors of each of the Demerged Company and the Resulting Company based on their independent judgment after taking into consideration the recommendation of the fair share entitlement ratio provided by independent registered valuer, SSPA & Co, and the fairness opinion provided by independent merchant bankers, Vivro Financial Services Private Limited, as presented before the audit committee of the Board of Directors of the Demerged Company.
- 11.9 On the approval of Section I of the Scheme by the members of the Resulting Company pursuant to Section 230-232 of the Companies Act, 2013 and other the relevant provisions of the 2013 Act, if applicable, it shall be deemed that the members of the Resulting Company have also accorded their consent under Sections 42, 55 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of equity shares of the Resulting Company, to the shareholders of the Demerged Company, and all actions taken in accordance with this Clause 11 of Section I of this Scheme shall be deemed to be in full compliance of Sections 42, 55 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42, 55 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, inter alia, issuance of a letter of offer by the Resulting Company shall be required to be passed or undertaken.

**12. REDUCTION IN SHARE CAPITAL OF THE RESULTING COMPANY**

12.1 Upon Section I of the Scheme coming into effect on the Effective Date and immediately after issuance of the equity shares of the Resulting Company to the equity shareholders of the Demerged Company, respectively, the 10,000 (Ten Thousand) equity shares of the Resulting Company having face value of Rs. 5 (Rupees Five) each held by the Demerged Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date shall stand cancelled without any further act or deed on the part of the Resulting Company. The reduction in the share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 of the 2013 Act, and/ or any other applicable provisions of the Act without any further act or deed on the part of the Resulting Company and without any approval or acknowledgement of any third party. The order of the Tribunal sanctioning the Scheme shall be deemed to also be the order passed by the Tribunal Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 66(1)(a) of the 2013 Act shall not be applicable. 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.



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- 12.2 It is expressly clarified that for the purposes of this Clause 12 of Section I of the Scheme, the consent of the shareholders and the creditors of the Resulting Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in the share capital of the Resulting Company resulting in a reduction in the equity share capital of the Resulting Company, and no further resolution or action under Section 66 of the Act, and/or any other applicable provisions of the Act would be required to be separately passed or taken.
- 12.3 The reduction of the share capital of the Resulting Company as contemplated in this Clause 12 shall become effective, in accordance with the provisions of Section 66(5) of the Act, and/ or any other applicable provisions of the Act and rules and regulations framed thereunder, pursuant to the filing of the order of the Tribunal sanctioning the aforesaid capital reduction by the Resulting Company with the RoC and upon registration by the RoC of such order of the Tribunal and of the minute approved by the Tribunal, if any, showing, with respect to the share capital of the Resulting Company as altered by the order, (a) the amount of share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the RoC. Such reduction in the share capital of the Resulting Company as contemplated in this Clause 12 of Section I of the Scheme shall be conditional upon Section I of this Scheme becoming effective on the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioned by the Tribunal, such reduction of share capital as set out in this Clause 12 of Section I of the Scheme shall not become effective and shall be deemed to be redundant.

**13. CHANGE IN AUTHORISED CAPITAL OF DEMERGED COMPANY AND THE RESULTING COMPANY**

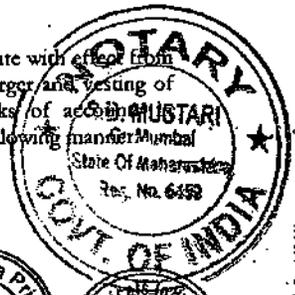
Transfer of Authorised Capital

- 13.1 The Demerged Company has substantial unused authorised share capital. Accordingly, as an integral part of the Scheme and upon the effectiveness of Section I of the Scheme, an amount of Rs. 30,000,000/- (Rupees Three Crore only), shall stand transferred from the authorized equity share capital of the Demerged Company to the authorized equity share capital of the Resulting Company, without any further act, instrument or deed by the Resulting Company and without any liability for payment of any additional fees or stamp duty in respect of such increase as the stamp duty and fees has already been paid by Demerged Company on such authorized capital, the benefit of which stands vested in the Resulting Company pursuant to the Scheme becoming effective on the Effective Date.
- 13.2 It is hereby clarified that for the purpose of this clause 13, the consent of shareholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting amendment in Clause V of its memorandum of association, and all actions taken in accordance with this Clause 13 of this Scheme shall be deemed to be in full compliance of Sections 13, 14, 61 and 64 of the Act and other applicable provisions of the Act and that no further resolutions or actions under Section 13, 14, 15, 61 and 64 of the Act or any other applicable provisions would be required to be separately passed or undertaken by the Resulting Company.

**14. ACCOUNTING TREATMENT**

**14.1 Treatment in the books of Demerged Company**

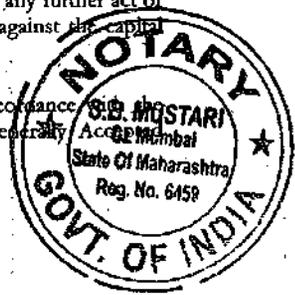
Pursuant to Section I of the Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Demerged Company shall account for the demerger and vesting of the Demerged Undertaking with the Resulting Company, in its books of account in accordance with Indian Generally Accepted Accounting Principles in the following manner:



- a. On the Scheme becoming effective, all the assets and liabilities pertaining to the Demerged Undertaking, (the difference between the assets and liabilities hereinafter referred to as the "Net Assets"), shall cease to be the assets and liabilities of the Demerged Company and be transferred to the Resulting Company at carrying value in accordance with the Scheme. The Demerged Company shall adjust the difference between the carrying value of assets and liabilities to its reserves in retained earnings.
- b. The existing issued and paid-up share capital of the Resulting Company comprising of 10,000 (Ten Thousand) equity shares having face value of Rs. 5 (Rupees Five) each, held by the Demerged Company comprising 100% (One Hundred Percent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date, shall stand cancelled without any further act or deed on part of the Resulting Company. This amount will be adjusted to the retained earnings of the Demerged Company.
- c. Any matter not dealt with in the Clause 14.1 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.

14.2 Treatment in the books of the Resulting Company

- a. On the Scheme becoming effective, the Resulting Company shall account for the Demerger as common control business combination in accordance with the "pooling of interest method", as per Appendix C of Ind-AS 103, "Business Combination" notified under the provisions of the Act, read with relevant rules framed thereunder and the other applicable accounting standards prescribed under the Act.
- b. All assets and liabilities in relation to the Demerged Undertaking shall be recorded in its books of accounts by the Resulting Company at the values and in the same form as recorded in the books of Demerged Company subject to consistent accounting policies.
- c. The reserves adjusted by the Demerged Company in relation to Net Assets of the Demerged Undertaking shall be preserved in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company.
- d. The aggregate face value of the equity shares of the Resulting Company, issued to the shareholders of the Demerged Company shall stand credited to the share capital of the Resulting Company in its books of accounts.
- e. The difference, if any, between the amount recorded as the share capital issued, reserves recorded as per clause 14.2.c and the assets and liabilities transferred by the Demerged Company to the Resulting Company shall be recorded as capital reserve and shall be presented separately from other capital reserve with disclosure of its nature and purpose in notes.
- f. Immediately after the issuance of shares by the Resulting Company to the shareholders of the Demerged Company, the 10,000 (Ten Thousand) equity shares of the Resulting Company having face value of Rs. 5 (Rupees Five) each held by the Demerged Company comprising 100% (One Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date shall stand cancelled, without any further act or deed on part of the Resulting Company and the same shall be adjusted against the capital reserves account of the Resulting Company.
- g. Any matter not dealt with in this Clause 14.2 shall be dealt with in accordance with the applicable accounting standards and in accordance with the Indian Generally Accepted Accounting Principles.



**15. LISTING OF THE RESULTING COMPANY**

- 15.1 The equity shares of the Resulting Company shall be listed and admitted to trading on BSE and NSE, where the equity shares of the Demerged Company are listed and are admitted to trading. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for Resulting Company to comply with the formalities and requirements of the said Stock Exchanges.
- 15.2 BSE and NSE, shall list the equity shares of the Resulting Company, in accordance with applicable laws, rules, circulars and notifications, including, inter alia, the applicable provisions of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 as amended from time to time.
- 15.3 New equity shares allotted to the shareholders of the Demerged Company in the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system until listing/trading permission is granted by the Stock Exchanges. Between the date of allotment of the equity shares of the Resulting Company to the shareholders of the Demerged Company and the date of listing of the equity shares of the Resulting Company with the BSE and NSE, except as provided for in Clause 12 of Section I of this Scheme in relation to the reduction of the existing share capital held by the Demerged Company in the Resulting Company there shall be no change in the shareholding pattern or control of the Resulting Company.
- 15.4 The equity shares of the Resulting Company, issued to a shareholder in lieu of the locked-in equity shares of the Demerged Company, shall remain locked-in for the remainder of the lock-in period applicable to such shareholder for the equity shares of the Demerged Company under applicable laws



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SECTION II

**AMALGAMATION - I: AMALGAMATION OF THE TRANSFEROR COMPANY NO.1 WITH THE RESULTING COMPANY**

PART A

16. BACKGROUND AND DESCRIPTION OF THE COMPANIES

16.1 Chembond Clean Water Technologies Limited ("Transferor Company No. 1") is a Company incorporated on April 17, 2010 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "H2O Innovation Private Limited". Subsequently its name was changed to "Chembond Clean Water Technologies Limited" on June 8, 2013. The Registered Office of the Transferor Company No. 1 is situated at - EL-37, MIDC, Mahape, Navi Mumbai 400 710. Transferor Company No. 1 is engaged in the business of design, manufacture, trade and marketing of whole range of water and waste water system, including but not limited to membrane technologies, providing total water management solutions, including services (detailed engineering, O&M manuals, design centre etc.) The Corporate Identification Number of the Transferor Company No. 1 is U29248MH2010PLC202124. The Transferor Company No.1 is an indirect wholly owned subsidiary of Demerged Company.

16.2 Chembond Chemical Specialties Limited ("Resulting Company") is a Company incorporated on December 12, 2023 in the State of Maharashtra under the Companies Act, 2013 in the name and style of "Chembond Chemical Specialties Limited". The Registered Office of the Resulting Company is situated at Plot No. EL-37, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Resulting Company was formed with the object to carry on the business of Specialty chemicals including but not limited to Construction chemicals and Water Treatment Chemicals. The corporate identity number of the Resulting Company is U20116MH2023PLC415282.

16.3 In terms of Section II of this Scheme, it is now proposed, that the Transferor Company No. 1 shall be merged with the Resulting Company. Accordingly, all the assets and liabilities of the Transferor Company No. 1 shall be transferred to and vested in the Resulting Company with effect from Appointed Date as going concern.

17. DEFINITIONS

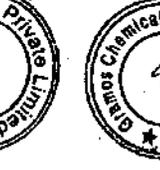
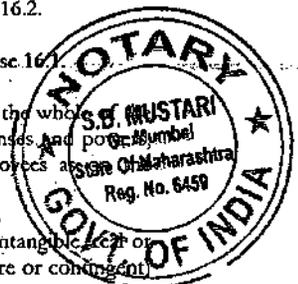
For the purposes of Section II of this Scheme, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as mentioned herein below:

17.1 "Resulting Company" shall have meaning assigned to it in Section II, clause 16.2.

17.2 "Transferor Company 1" shall have meaning assigned to it in Section II, clause 16.1.

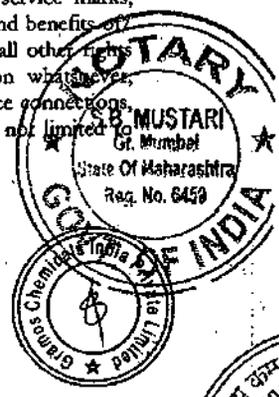
17.3 "Undertaking of the Transferor Company No. 1" shall mean and include the whole undertaking of the Transferor company No. 1, as a going concern with all its assets, rights, licenses and powers and all its debts, outstandings, liabilities, duties and obligations and employees as on the Appointed Date including, but not limited to, the following:

- a. 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 the Transferor Company No. 1 whether situated in India or abroad, but not limited to plants and machinery, computers, equipment, buildings and structures, offices, residential and other premises, including all tangible and intangible assets, stock in trade, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scripts,



subsidiaries, stocks, bonds, debentures stocks, units or pass through certificates) including shares or other securities held by the Transferor Company No. 1, cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company No. 1 financial assets, leases (including but not limited to lease rights of the Transferor Company No. 1), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, 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 interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Transferor Company No. 1 employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement, tax losses, rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company No. 1 or in connection with or relating to the Transferor Company No. 1 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 favour of or held for the benefit of or enjoyed by the Transferor Company No. 1 in each case, whether in India or abroad;

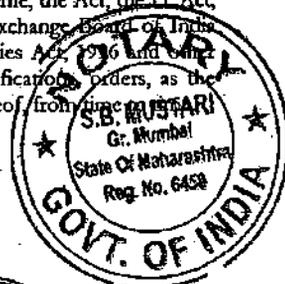
- b. All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company No. 1's business activities and operations;
- c. All Intellectual Property Rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, records, files, drawings, papers, computer programs, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Company No. 1;
- d. Permissions approval for commissioning of project and other licenses or clearances granted/ issued/ given by any Governmental Authority organizations or companies, approvals, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, trade names, trademarks, service marks, copyrights, logos, corporate names, brand names, domain names, privileges and benefits arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to



credits in respect of goods and service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account and tax refunds) and all other rights, claims and powers, of whatsoever nature; Amounts claimed by the Transferor Company No. 1 whether or not so recorded in the books of accounts of the Transferor Company No. 1 from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;

- e. Rights to any claim not preferred or made by the Transferor Company No. 1 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company No. 1 and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India;
- f. All debts (secured and unsecured), Liabilities all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, 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). Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Company No. 1 under which the assets of the Transferor Company No. 1 stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Company No. 1 vested in the Resulting Company by virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company No. 1 which shall vest in the Resulting Company by virtue of the amalgamation. The Resulting Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective;
- g. All insurance policies;
- h. All other obligations of whatsoever kind, including liabilities of the Transferor Company No. 1 with regard to their employees with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- i. All permanent and temporary employees engaged by the Transferor Company No. 1 at various locations, if any.

The expressions, which are used in this Section II of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section I, Section III or Section IV of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.



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18. SHARE CAPITAL

18.1 The share capital of the Transferor Company No. 1 as on March 31, 2023 was as under:

Particulars	Amount (in Rs.)
<b>Authorized Capital</b>	
1,00,00,000 Equity shares of Rs. 10 (Rupees Ten) each	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
82,78,057 Equity shares of Rs.10 (Rupees Ten) each	8,27,80,570
<b>Total</b>	<b>8,27,80,570</b>

Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Transferor Company No. 1, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferor Company No. 1.

The equity shares of the Transferor Company No. 1 are not listed on any stock exchanges.

18.2 The share capital of the Resulting Company as on December 12, 2023 was as under:

Particulars	Amount (in Rs.)
<b>Authorized Capital</b>	
10,000 Equity Shares of Rs.5/- (Rupees Five Only) each	50,000
<b>Total</b>	<b>50,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
10,000 Equity Shares of Rs.5/- (Rupees Five Only) each	50,000
<b>Total</b>	<b>50,000</b>

The equity shares of the Resulting Company are not listed on any stock exchanges.



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**PART B**

**AMALGAMATION OF THE TRANSFEROR COMPANY NO. 1 WITH THE RESULTING COMPANY**

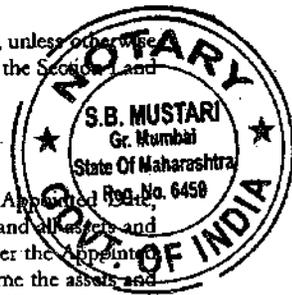
**19. TRANSFER AND VESTING OF UNDERTAKING**

19.1 **General:** Subject to the provisions of Section II of the Scheme and after giving effect of Section I of this Scheme and with effect from the Appointed Date and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, if any, the entire business and Undertaking of the Transferor Company No. 1 including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company No. 1 of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company No. 1 comprising, amongst others, all investments, receivables, actionable claims, furniture and fixtures, office equipment, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, know-how, trade secret, patents, trademark, service mark, other intellectual property rights, registrations, title, interest, contracts including but not limited to contracts entered into with customers, vendors and service providers, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of section 234 read with sections 230 to 232 of the Act and pursuant to the order of the National Company Law Tribunal sanctioning this Scheme and without further act, instrument or deed, but subject to the changes affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Resulting Company, so as to become the properties, assets, rights, business and Undertaking of the Transferor Company No. 1.

19.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and after giving effect of the Section 1 and with effect from the Appointed Date:

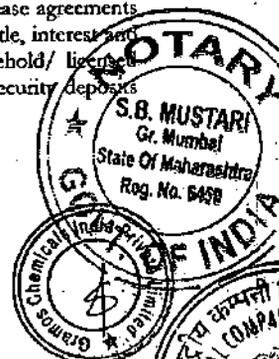
**19.2.1 Transfer of Assets:**

- a. All assets and properties of the Transferor Company No. 1 as on the Appointed Date, whether or not included in the books of the Transferor Company No. 1 and all assets and properties which are acquired by the Transferor Company No. 1 on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Resulting Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement in order to give effect to the provisions of this sub-clause.
- b. In respect of such assets owned and belonging to the Undertaking of the Transferor Company No. 1 as are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company, wherever located and shall become the property and an integral part of the Resulting Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or



constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

- c. All other movable properties of the Transferor Company No. 1 including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act, instrument or deed, become the property of the Resulting Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. The Resulting Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in Resulting Company and be paid or made good or held on account of the Resulting Company as the person entitled thereto. It is hereby clarified that investments, if any, made by Transferor Company No. 1 and all the rights, title and interest of the Transferor Company No. 1 in any leasehold properties shall, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Resulting Company;
- d. All immovable properties of the Transferor Company No. 1 including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company No. 1 whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Resulting Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law without any further act or deed done or being required to be done by the Transferor Company No. 1 and/or the Resulting Company, pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. The Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties, upon the sanctioning of Scheme by the Competent Authority and the Scheme becoming effective. The relevant authorities shall grant all clearances/permissions, if any, required for enabling Resulting Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate registrar or sub-registrar or with the relevant Governmental Authority shall suffice as record of continuing titles with the Resulting Company and shall be constituted as a deemed mutation and substitution thereof;
- e. Without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, to which the Transferor Company No. 1 is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the terms and conditions contained therein in favour of or against the Resulting Company and may be enforced fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of the Transferor Company No. 1 in any properties including leasehold/ licensed properties of the Transferor Company No. 1 including but not limited to security deposits



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and advance or prepaid lease or license fee, shall, on the same terms and conditions, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company automatically without requirement of any further act or deed, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law including without the requirement of payment of any transfer charges or any other charges. The Resulting Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Resulting Company shall continue to comply with the terms, conditions and covenants thereunder;

- f. From the Effective Date, all bank accounts operated or entitled to be operated by the Transferor Company No. 1 shall be deemed to have transferred and shall stand transferred to the Resulting Company and name of the Transferor Company No. 1 shall be substituted by the name of the Resulting Company in the bank's records and the Resulting Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company No. 1 to the extent necessary until the transfer of the rights and obligations of the Transferor Company No. 1 to the Resulting Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company No. 1 after the Effective Date, shall be accepted by the bankers of the Resulting Company and credited to the accounts of the Resulting Company, if presented by the Resulting Company. Similarly, the banker of the Resulting Company shall honor all cheques issued by the Transferor Company No. 1 for payment after the Effective Date;
- g. The transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same; and
- h. All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Company No. 1 including in relation to the Undertaking of the Transferor Company No. 1 and all rights and benefits which have accrued to the Transferor Company No. 1 shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Resulting Company, as if the same were originally given by, issued to or executed in favour of the Resulting Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Resulting Company which are valid, binding and enforceable on the same terms, 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.

**19.2.2 Transfer of Liabilities:**

- a. All Liabilities of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Company No. 1 shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of the Resulting Company, and the Resulting Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company No. 1 after the Appointed Date and prior to the Effective Date, shall also be deemed to have been raised, used, incurred



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or undertaken for and on behalf of the Resulting Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company and shall become the debt, duties, undertakings, liabilities and obligations of the Resulting Company which shall meet, discharge and satisfy the same;

- b. Where any of the Liabilities incurred before the Appointed Date by the Transferor Company No. 1 deemed to have been transferred to the Resulting Company by virtue of this Scheme, have been discharged by the Transferor Company No. 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company;
- c. All debentures, bonds, notes or other securities of the Transferor Company No. 1 whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the debentures, bonds, notes or other securities of the Resulting Company and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against the Resulting Company as if it were the Transferor Company No. 1 under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause;
- d. All public deposits, debentures or bonds of the Transferor Company No. 1 shall be distinctly identified in the records of the Resulting Company for all intents and purposes including taxation and accounting and shall not be combined with any existing outstanding deposit scheme or series of debentures or bonds of the Resulting Company;
- e. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company No. 1 which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Resulting Company. Provided that if any assets of the Transferor Company No. 1 have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Resulting Company and the Resulting Company shall not be obliged to create any further or additional security after the Scheme has become effective or otherwise. The secured creditors of the Resulting Company and/or other holders of security over the properties of the Resulting Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of the Transferor Company No. 1 and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Resulting Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;
- f. Any reference in any security documents or arrangements to which the Transferor Company No. 1 is a party and their assets and properties, shall be construed as a reference to the Resulting Company and the assets and properties of the Transferor Company No. 1 shall be transferred to the Resulting Company by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferor Company No. 1 and the Resulting Company may execute any instruments or documents or do all acts and deeds as may be considered



appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional Registrar of Companies to give formal effect to these provisions, if required; and

- g. It is expressly provided that, save as mentioned in this Scheme, no other term or condition of the Liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

**19.2.3 Transfer of Contracts, Deeds and Other Instruments**

- a. All contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, bids, letters of intent, arrangements, undertakings, whether written or otherwise, deeds, bonds, agreements, schemes, arrangements and other instruments to which the Transferor Company No. 1 are a party, or to the benefit of which, the Transferor Company No. 1 may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed continue in full force and effect on, against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligor thereto. If the Resulting Company enters into and/or issues and/or executes deeds, writings or confirmations or enters into any tripartite arrangements, confirmations or novations, the Transferor Company No. 1 will, if necessary, also be a party to such documents in order to give formal effect to the provisions of this Scheme, if so required. The Resulting Company may also execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company No. 1 are a party as may be necessary to be executed in order to give formal effect to the above provisions. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company No. 1 (and not by any of its successors), shall be fulfilled by the Resulting Company as if it is the duly constituted attorney of the Transferor Company No. 1; and
- b. On and from the Effective Date, and thereafter, the Resulting 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 No. 1 in the name of the Transferor Company No. 1 in so far as may be necessary until the transfer of rights and obligations of the Transferor Company No. 1 to the Resulting Company under this Scheme has been given effect to under such contracts and transactions.

**19.2.4 Transfer of Employees**

- a. All employees of the Transferor Company No. 1 as on the Effective Date shall, become and be deemed to have become, the employees of the Resulting Company, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company No. 1 and without any interruption of or break in service as a result of the amalgamation of the Transferor Company No. 1 with the Resulting Company. For the purpose of payment of all retirement benefits, the past services of such employees with the Transferor Company No. 1 shall be taken into account from the date of their appointment with the Transferor Company No. 1 and such benefits to which the employees are entitled in the Transferor Company No. 1 shall also be taken into account and paid (as and when payable) by the Resulting Company.
- b. In so far as the provident fund, gratuity fund, superannuation fund, retirement fund and any other funds or benefits created by the Transferor Company No. 1 for its employees or to which the Transferor Company No. 1 are contributing for the benefit of its employees (collectively referred to as the "Funds") are concerned, the Funds or such part thereof as relates to the employees (including the aggregate of all the contributions made to such Funds



for the benefit of the employees, accretions thereto and the investments made by the Funds in relation to the employees) shall be transferred to the Resulting Company and shall be held for the benefit of the concerned employees. In the event the Resulting Company has its own funds in respect of any of the employee benefits referred to above, the Funds shall, subject to the necessary approvals and permissions, and at the discretion of the Resulting Company, be merged with the relevant funds of the Resulting Company. In the event that the Resulting Company does not have its own funds in respect of any of the above or if deemed appropriate by the Resulting Company, the Resulting Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Resulting Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the employees shall be merged with the funds created by the Resulting Company.

- c. In relation to those Employees for whom the Transferor Company No. 1 is making contributions to the government provident fund or other employee benefit fund, the Resulting Company shall stand substituted for the Transferor Company No. 1 for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Company No. 1 as the case may be in relation to such schemes/ Funds shall become those of the Resulting Company.

19.2.5 Legal Proceedings

- a. If any suit, appeal or other legal proceedings of whatsoever nature by or against the Transferor Company No. 1 is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Company No. 1 with the Resulting Company and 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 Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company No. 1 as if this Scheme had not been made.
- b. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company No. 1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferor Company No. 1.

19.2.6 Taxes, Duties/Cess

- a. All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, withholding tax, dividend distribution tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Company No. 1 including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the IT Act, exemptions, credits, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Company No. 1 shall pursuant to this Scheme becoming effective, be available to the Resulting Company; and
- b. All the benefits under the various incentive schemes and policies that the Transferor Company No. 1 is entitled to, including tax credits, tax deferral, exemptions, holidays and

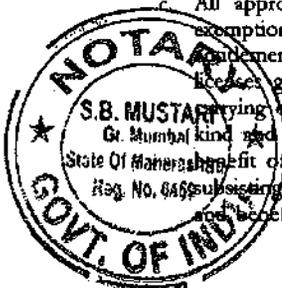


benefits (including goods and service tax input credits, service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Company No. 1 rights of any claim not made by the Transferor Company No. 1 in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company No. 1 and any interest thereon and all rights or benefits that have accrued or which may accrue to the Transferor Company No. 1 whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Resulting Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Resulting Company and these shall relate back to the Appointed Date as if the Resulting Company was originally entitled to all benefits under such incentive schemes and/or policies.

**19.2.7 Transfer of benefits, licenses, permits etc.**

- a. All the security interest over any moveable and/or immovable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Company No. 1 or any other person acting on behalf of or for the benefit of the Transferor Company No. 1 for securing the obligations of the persons to whom the Transferor Company No. 1 has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Resulting Company and the benefit of such security shall be available to the Resulting Company as if such security was ab initio created in favour of the Resulting Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Company No. 1 shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resulting Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;
- b. All letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders and other instruments of whatsoever nature to which the Transferor Company No. 1 is a party or to the benefit of which the Transferor Company No. 1 may be eligible, shall remain in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of the Transferor Company No. 1 shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes;

All approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Transferor Company No. 1 or to the benefit of which the Transferor Company No. 1 may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, including the applications and benefits of any applications made for any of the foregoing, shall be in full force and

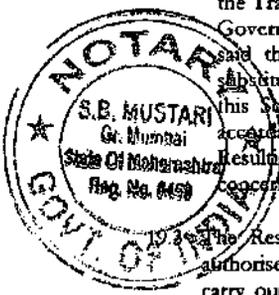


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effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company No. 1 the Resulting Company had been a party or beneficiary or obligor thereto and the Resulting Company shall be liable for compliance with all the conditions governing such consents, permits, approvals, etc. as stated above. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

- d. All consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company No. 1 shall stand transferred to 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;
- e. All trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Resulting Company;
- f. All registrations, goodwill and licenses, appertaining to the Transferor Company No. 1 if any, shall be transferred to and vested in the Resulting Company;
- g. Benefits of any and all corporate approvals as may have already been taken by the Transferor Company No. 1 whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180, 185, 186, etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Resulting Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Resulting Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Resulting Company, shall be added to the limits, if any, under the like resolutions passed by the Resulting Company; and

h. The Transferor Company No. 1 and/or the Resulting Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/novate the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company No. 1. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Resulting Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.



The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company No. 1 and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.



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- 19.4 The Resulting Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.
- 19.5 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Transferor Company No. 1 into the Resulting Company, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Transferor Company No. 1 in favour of the Resulting Company, 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 Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Company No. 1 has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company No. 1. The Resulting Company will, if necessary, also be a party to the above.
- 19.6 In order to ensure the smooth transition and sales of products and inventory of the Transferor Company No. 1 manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company No. 1 prior to the Effective Date, the Resulting Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packaging material) pertaining to the Transferor Company No. 1 without making any modifications, whatsoever to such products and/or the branding, packaging or labelling. All invoices/payment related documents pertaining to such products and inventory (including packaging material) may be raised in the name of the Resulting Company after the Effective Date.

19.7 Conduct of Business until Effective Date

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

- a. The Transferor Company No. 1 shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the assets, rights, title and interest for and on account of and in trust for the Resulting Company.
- b. The Transferor Company No. 1 shall carry on their business and activities in the ordinary course of business with reasonable diligence and business prudence.
- c. All the profits or income accruing or arising to the Transferor Company No. 1 or expenditure or losses incurred or arising to the Transferor Company No. 1 shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Resulting Company.



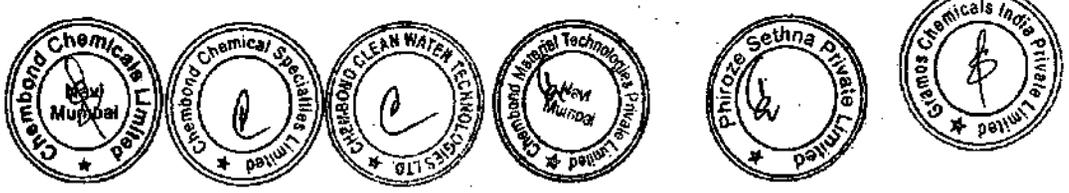
The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Government Authorities concerned, as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require for carrying on the business of the Transferor Company No. 1.

The Transferor Company No. 1 shall carry on their business, operations or activities with reasonable diligence and business prudence and in the same manner as they had been doing hereto 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 Resulting Company



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f. The Resulting Company and the Transferor Company No. 1 shall also be entitled to make an application for amending, cancelling or obtaining fresh registrations, as the case may be, under all Applicable Laws and legislations. The Resulting Company and the Transferor Company No. 1 would be entitled to make an application for amending licenses/authorisations.



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PART C

20. CONSIDERATION:

20.1 The Transferor Company No. 1 will become an indirect wholly owned subsidiary company of the Resulting Company post the effectiveness of the Scheme. Its entire share capital will be indirectly held by the Resulting Company. Hence, upon Amalgamation - I becoming effective, no shares of Resulting Company shall be allotted in lieu or exchange of the shares of the Transferor Company No. 1. Upon the Scheme becoming effective, the entire share capital of the Transferor Company No. 1 shall be cancelled and extinguished.

21. AGGREGATION, RECLASSIFICATION AND INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

Aggregation and Reclassification

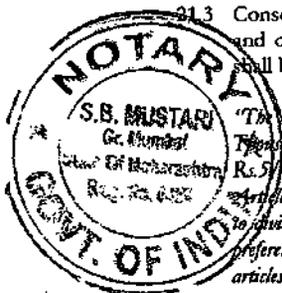
21.1 Upon this Scheme becoming effective, the authorized share capital of the Transferor Company No. 1 shall be reclassified and stand consolidated with the authorized share capital of the Resulting Company. Accordingly, the authorized share capital of the Resulting Company shall stand increased to that extent, without any further act, instrument or deed on the part of the Resulting Company, including without any payment of stamp duty and any fees or charges payable to the Registrar of Companies, and/or to any other Governmental Authority, and the Memorandum of Association and Articles of Association of the Resulting Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14, 61 and 232(3)(i) respectively of the Companies Act, 2013 and/or any other applicable provisions of the Act, as the case may be. Hence, for this purpose, the stamp duties and fees paid on the authorised share capital of the Transferor Company No. 1 shall be utilized and applied to the increased authorised share capital of the Resulting Company and no extra stamp duty and/or fees shall be required to be paid by the Resulting Company for its increased authorised share capital.

Increase in Authorised Share Capital

21.2 Upon Section I and Section II of the Scheme coming into effect on the Effective Date and after giving effect to clause 13.1 of the Scheme, the authorised share capital of the Resulting Company shall be enhanced by Rs. 1,00,00,000/- (Rupees One Crore Only) divided into 20,00,000 (Twenty Lakhs) equity shares having face value of Rs. 5/- (Rupees Five) each without any further act or deed by the Resulting Company for the purpose of such enhancement of the authorized share capital of the Resulting Company except payment of necessary stamp duties and ROC fees. Pursuant to effectiveness of Section II of this Scheme, the Resulting Company shall make the requisite filings with ROC and pay the necessary fees for the increase in its authorized share capital.

Final Authorised Capital of the Resulting Company

21.3 Consequent upon demerger and amalgamation (after giving effect of clause 13.1, clause 21.1 and clause 21.2), 'Clause V' of the Memorandum of Association of the Resulting Company shall be replaced with the following:



*"The Authorised Share Capital of the Company is Rs. 14,00,50,000/- (Rupees Fourteen Crores Fifty Thousand Only) divided into 2,80,10,000 (Two Crores Eighty Lakhs Ten Thousand) Equity Shares of Rs. 5/- (Rupees Five only) each with the rights, privileges, and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with the power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach there to respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the articles of association of the company for the time being and to vary, modify or abrogate any such rights,*



privileges or conditions in such manner as may be permitted by the law for the time being in force or provided by the Articles of Association for the time being.”

21.4 It is clarified that the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61, respectively, of the Companies Act, 2013 and/ or any other applicable provisions of the Act, would be required to be separately passed.

21.5 In the event, the authorized share capital of the Resulting Company undergoes any change prior to the Effective Date, the clauses specified in this Scheme to replace the existing clause V of the memorandum of association, shall be adjusted accordingly to take into account the effect of any such corporate actions.

22. ACCOUNTING TREATMENT

22.1 As the Transferor Company No. 1 shall stand dissolved without being wound up and all the assets and liabilities as well as reserves shall be transferred to the Resulting Company, on a going concern basis, upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Company No. 1.

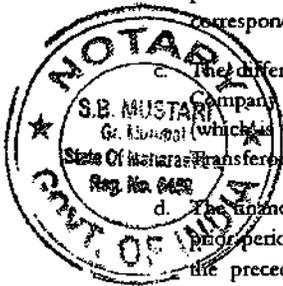
22.2 On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are under common control before and after the transaction, the Resulting Company shall account for the transfer and vesting of the Undertaking as per the “Pooling of Interests” method in its books of accounts in accordance with Appendix C for Business combinations of entities under common control of the Indian Accounting Standards (IND AS) 103 prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other applicable accounting standards prescribed under the Act.

22.3 The pooling of interests’ method is considered to involve the following:

- a. All the assets and liabilities of the Transferor Company No. 1 shall be recorded in the financial statements of the Resulting Company at their carrying amounts as appearing in the financial statements of the Transferor Company No. 1, prior to this Section II being made effective. No adjustments will be made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonize the accounting policies.
- b. The identity of the reserves of the Transferor Company No. 1 shall be preserved and they shall appear in the financial statements of the Resulting Company in the same form and manner in which they appear in the financial statements of the Transferor Company No. 1, prior to Section II of this Scheme being made effective, and it shall be aggregated with the corresponding balance appearing in the financial statements of the Resulting Company.

The difference between the i) aggregate face value of the equity shares of the Resulting Company issued and allotted by it to the members of the Transferor Company No. 1, if any, (which is expected to be NIL in view of clause 20) and ii) the equity share capital of the Transferor Company No. 1, shall be adjusted in the capital reserve account.

d. The financial information in the financial statements of the Resulting Company in respect of prior periods should be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.



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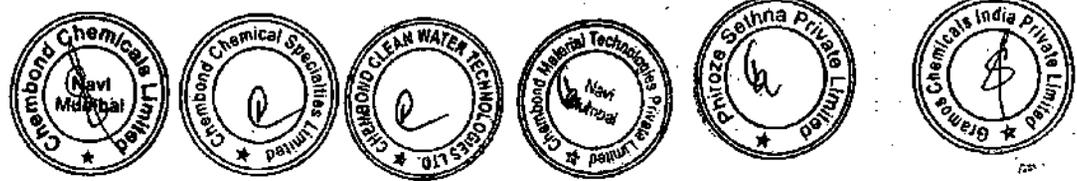
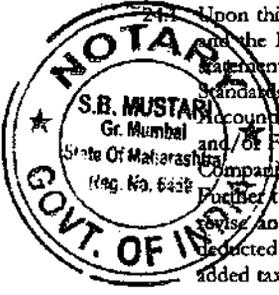
- e. The difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the capital reserves account of the Resulting Company.
- f. To the extent that there are inter-corporate loans/trade deposits, debentures, debt securities or balances between the Transferor Company No. 1 inter se and/or the Transferor Company No. 1 and the Resulting Company, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and the records of the Resulting Company for the reduction / netting of any assets or liabilities, as the case may be. Difference, if any, arising upon such cancellation, shall be credited or debited, as the case may be, to the reserve of the Resulting Company.
- g. The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date. However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.
- h. In case of any differences in accounting policies between the Transferor Company No. 1 and the Resulting Company, the accounting policies followed by the Resulting Company shall prevail to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies. The difference, if any, in the accounting policies between the Transferor Company No. 1 and Resulting Company, shall be ascertained and the impact of the same will be quantified and adjusted in the retained earnings or another affected component of equity of the Resulting Company, as applicable, in accordance with the requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
- i. The costs relating to the Scheme will be accounted in accordance with Ind AS 103.

**23. TREATMENT OF TAXES PAID BY THE TRANSFEROR COMPANY NO. 1**

23.1 All taxes, levies, cess, etc. (whether direct or indirect) that might have been paid by the Transferor Company No. 1 (whether before or after the Appointed Date) during the period when the amalgamation has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Resulting Company and credit in respect thereof shall be given to the Resulting Company accordingly.

**24. TREATMENT OF SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961**

Upon this Scheme being effective, and in terms thereof, both the Transferor Company No. 1 and the Resulting Company are expressly permitted to prepare/redraw the relevant financial statements, as required, in accordance with, and in terms of, Appendix C to Indian Accounting Standards ("IndAS") 103 and/or International Financial Reporting Standards and/or Accounting Standards, as applicable, and the financial statements once certified by the Auditors and/or Firm of Chartered Accountants, will be regarded as duly drawn up in compliance with Companies Act, 2013 and/or laws applicable in relation to the Transferor Company No. 1. Further the Transferor Company No. 1 and the Resulting Company are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / value added tax goods and services tax returns, minimum alternate tax returns as may be applicable



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and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired and without incurring any additional liability on account of interest, penalty, late fees or any other sum.

24.2 Any refund under the tax laws received by or due to the Transferor Company No. 1 consequent to any assessments made on the Transferor Company No. 1 subsequent to the Appointed Date pertaining to the business transferred 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 Resulting Company.

24.3 Any transaction entered into by the Transferor Company No. 1 between the Appointed Date and the Effective Date will not be regarded as noncompliant of withholding tax/tax deduction at source obligation under the Income Tax Act, 1961 or Goods and Service Tax obligation only on the ground that, on the sanction of the scheme, the transactions are regarded as having been carried out by the Resulting Company.

**25. DATE OF TAKING EFFECT AND OPERATIVE DATE**

25.1 The Scheme as set out herein in its present form, or with any modification(s) or amendment(s) approved, imposed or directed by the NCLT or any other appropriate authority and acceptable to the Board of Resulting Company, shall be effective from the Appointed Date, as defined in Section 232 (6) of the Act, but shall be operative from the Effective Date.

**26. VALIDITY OF EXISTING RESOLUTIONS, ETC**

26.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Transferor Company No. 1 as are considered necessary by the Board of Directors of Resulting Company and which are validly subsisting, shall be considered as resolutions of Resulting Company. If any such resolutions have any monetary limits approved subject to the provisions of the Act or of any other Applicable Laws, then the said limits, as are considered necessary by the Board of Directors of Resulting Company, shall be added to the limits, if any, under the like resolutions passed by Resulting Company.

**27. SAVING OF CONCLUDED TRANSACTION**

27.1 The transfer and vesting of the assets, liabilities and obligations pertaining/relating to the Transferor Company No. 1 pursuant to this Scheme, and the continuance of the proceedings by or against the Resulting Company, under clause 19 hereof shall not affect any transactions or proceedings already completed or liabilities incurred by the Transferor Company No. 1 either prior to or on or after the Appointed Date, to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company No. 1 as acts, deeds and things done and executed by and/or on behalf of itself.

**28. DISSOLUTION OF THE TRANSFEROR COMPANY NO. 1.**

28.1 Transferor Company No. 1 shall be dissolved without winding up, on an order made by the NCLT under Section 230 of the Act. On and with effect from the Effective Date, the name of Transferor Company No. 1 shall be struck off from the records of the relevant Registrar of Companies.



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SECTION III

**AMALGAMATION II : AMALGAMATION OF THE TRANSFEROR COMPANY NO. 2, THE TRANSFEROR COMPANY NO. 3 AND THE TRANSFEROR COMPANY NO. 4 WITH THE DEMERGED COMPANY/TRANSFeree COMPANY**

PART A

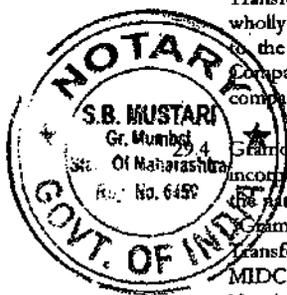
29. BACKGROUND AND DESCRIPTION OF THE COMPANIES

29.1 Chembond Chemicals Limited ("Demerged Company" and/or "Transferee Company") is a Company incorporated on March 22, 1975 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Chembond Chemicals Private Limited". Subsequently its name was changed to "Chembond Chemicals Limited". The Registered Office of the Transferee Company is situated at Chembond Center, Plot No. EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Transferee Company is engaged in the business of manufacturing a diverse range of specialty chemicals and products like water treatment, metal treatment, construction chemicals, high performance coatings, animal health, industrial adhesives and sealants and tolling. The equity shares of the Transferee Company are listed on BSE (as defined hereinafter) and NSE (as defined hereinafter). The corporate identity number ("CIN") of the Transferee Company is L24100MH1975PLC018235.

29.2 Chembond Material Technologies Private Limited ("Transferor Company No. 2") is a Company incorporated on March 24, 2000 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Protochem Industries Private Limited". Subsequently its name was changed to "Chembond Material Technologies Private Limited" on July 21, 2018. The Registered Office of the Transferor Company is situated at Chembond Center, No. 1 A- A-737/5, TTC MIDC Area, Mahape Village, Thane Belapur Road, Navi Mumbai, Maharashtra, India, 400710. The Transferor Company No. 2 is engaged in the business of offering innovative & value delivering solutions to industrial customers in the areas of surface treatment, bonding & sealing, & coatings. The corporate identity number ("CIN") of the Transferor Company No. 2 is U24200MH2000PTC125231. The Transferor Company No. 2 is a wholly owned subsidiary of the Transferee Company. Clause 24 of the 'objects incidental or ancillary to the attainment of the main objects' of the memorandum of association of the Transferor Company No. 2 allows/enables amalgamation of the Transferor Company No. 2 with any other company or companies.

29.3 Phiroze Sethna Private Limited ("Transferor Company No. 3") is a Company incorporated on June 24, 1975 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Phiroze Sethna Private Limited". The Registered Office of the Transferor Company No. 3 is situated at Chembond Centre, EL-71, TTC Industrial Area, MIDC, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Transferor Company No. 3 is engaged in the business of manufacturing and marketing a wide range of products to automobiles manufacturers, ancillary industries and other manufacturing sectors. The corporate identity number ("CIN") of the Transferor Company No. 3 is U25209MH1975PTC018396. The Transferor Company No. 3 is a wholly owned subsidiary of the Transferee Company. Clause 6 of the 'objects incidental or ancillary to the attainment of the main objects' of the memorandum of association of the Transferor Company No. 3 allows/enables amalgamation of the Transferor Company No. 3 with any other company or companies.

29.4 Gramos Chemicals (India) Private Limited ("Transferor Company No. 4") is a Company incorporated on February 26, 1985 in the State of Maharashtra under the Companies Act, 1956 in the name and style of "Sunbeam Solvents Private Limited". Subsequently its name was changed to Gramos Chemicals (India) Private Limited on March 24, 1988. The Registered Office of the Transferor Company No. 4 is situated at Chembond Centre, Plot No. EL-71, TTC Industrial Area, MIDC Electronics, Mahape, Navi Mumbai, Maharashtra, India - 400710. The Transferor Company No. 4 is engaged in the business of manufacturing products for paint shop with a presence in the



leading automotive and industrial plants of the country. The corporate identity number ("CIN") of the Transferor Company No. 4 is U99999MH1985PTC035486. The Transferor Company No. 4 is a step down subsidiary of the Transferee Company and wholly owned subsidiary of Transferor Company No. 3. Clause 5 of the 'objects incidental or ancillary to the attainment of the main objects' of the memorandum of association of the Transferor Company No. 4 allows/enables amalgamation of the Transferor Company No. 4 with any other company or companies;

29.5 In terms of Section III of this Scheme, it is now proposed, that the Transferor Company No. 2, the Transferor Company No. 3 and the Transferor Company No. 4 shall be merged with the Transferee Company. Accordingly, all the assets and liabilities of the Transferor Companies (as defined hereinafter) shall be transferred to and vested in the Transferee Company with effect from Appointed Date as going concern.

30. DEFINITIONS

For the purposes of Section III of this Scheme, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as mentioned herein below:

- 30.1 "Demerged Company/Transferee Company" shall have meaning assigned to it in Section III, clause 29.1.
- 30.2 "Transferor Company No. 2" shall have meaning assigned to it in Section III, clause 29.2.
- 30.3 "Transferor Company No. 3" shall have meaning assigned to it in Section III, clause 29.3.
- 30.4 "Transferor Company No. 4" shall have meaning assigned to it in Section III, clause 29.4.
- 30.5 "Transferor Companies" shall collectively mean Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4.
- 30.6 "Undertaking of the Transferor Companies" shall mean and include the whole of the Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 respectively as a going concern with all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties and obligations and employees as on the Appointed Date including, but not limited to, the following:

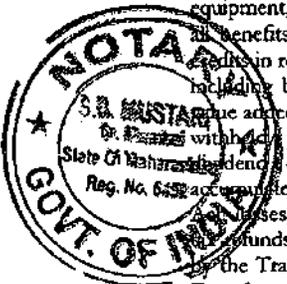


All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent) of the Transferor Companies whether situated in India or abroad, but not limited to plants and machinery, computers, equipment, buildings and structures, offices, residential and other premises, including all tangible and intangible assets, stock in trade, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scrips, subsidiaries, stocks, bonds, debentures stocks, units or pass through certificates) including shares or other securities held by the Transferor Companies cash balances or deposits with banks, cheques on hand, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies financial assets, leases (including but not limited to lease rights of the Transferor Companies), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, tenancies or license in relation to the office and /or residential properties (including for the employees or other persons), guest houses, godowns, warehouses, licenses, fixed and other assets, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature



whatsoever, 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 interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), assets held by or relating to the Transferor Companies employee benefit plan, export incentives accrued, derivative instruments, forward contracts, insurance claims receivable, tax holiday benefit, incentives, credits (including tax credits), minimum alternative tax credit entitlement, tax losses, rights, easements, privileges, 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 favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies 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 favour of or held for the benefit of or enjoyed by the Transferor Companies in each case, whether in India or abroad;

- b. All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the Transferor Companies's business activities and operations;
- c. All Intellectual Property Rights, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, records, files, drawings, papers, computer programs, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of the Transferor Companies;
- d. Permissions approval for commissioning of project and other licenses or clearances granted/ issued/ given by any Governmental Authority organizations or companies, allotments, approvals, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, applications made for obtaining all or any of the aforesaid, pre-qualifications, bid acceptances, tenders, certificates, tenancies, trade names, trademarks, service marks, copyrights, logos, corporate names, brand names, domain names, privileges and benefits of/ arising out of all contracts, agreements, applications and arrangements and all other rights including lease rights, powers and facilities of every kind and description whatsoever, equipment, installations and utilities such as electricity, water and other service connections, all benefits including subsidies, grants, incentives, tax credits (including but not limited to credits in respect of goods and service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, duties added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes levied/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act and unabsorbed depreciation as per the books of account and other rights, claims and powers, of whatsoever nature; Amounts claimed by the Transferor Companies whether or not so recorded in the books of accounts of the Transferor Companies from any Governmental Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;
- e. Rights to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof



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made by the Transferor Companies and any interest thereon, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or taxation laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India;

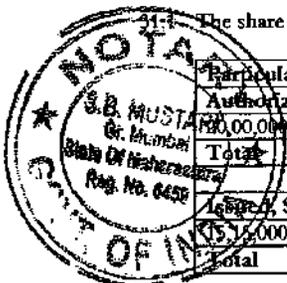
- f. All debts (secured and unsecured), Liabilities all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known 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). Provided that if there exists any reference in the security documents or arrangements entered into by the Transferor Companies under which the assets of the Transferor Companies stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to the Undertaking of the Transferor Companies vested in the Transferee Company by the virtue of the Scheme. The Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Companies which shall vest in the Transferee Company by virtue of the amalgamation. The Transferee Company shall not be obliged to create any further or additional security thereof after the amalgamation has become effective;
- g. All insurance policies;
- h. All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to their employees with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;
- i. All permanent and temporary employees engaged by the Transferor Companies at various locations, if any.

The expressions, which are used in this Section III of the Scheme and not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under Section I, Section II or Section IV of the Scheme, the Act, the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, guidelines, circulars, notifications, orders, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

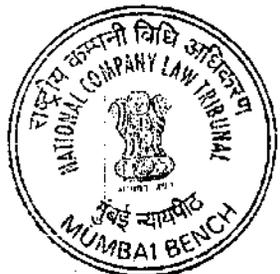
**31. SHARE CAPITAL**

The share capital of the Transferor Company No. 2 as on March-31, 2023 was as under:

Particulars	Amount (in Rs.)
<b>Authorized Capital</b>	
20,00,000 Equity shares of Rs. 10/- (Rupees Ten Only) each	2,00,00,000
<b>Total</b>	<b>2,00,00,000</b>
<b>Subscribed and Paid-up Capital</b>	
15,15,000 Equity shares of Rs.10/- (Rupees Ten Only) each	1,51,50,000
<b>Total</b>	<b>1,51,50,000</b>



Tribunal dated September, 12, 2023 approving the merger of Chembond Polymers and Materials Limited a wholly owned subsidiary of the Transferee Company into Chembond Material



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Technologies Private Limited the Authorised Share Capital of the Transferor Company No. 2 stands altered as given below:

Particulars	Amount (in Rs.)
<b>Authorized Capital</b>	
25,00,000 Equity shares of Rs. 10/- (Rupees Ten Only) each	2,50,00,000
<b>Total</b>	<b>2,50,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
15,15,000 Equity shares of Rs.10 (Rupees Ten Only) each	1,51,50,000
<b>Total</b>	<b>1,51,50,000</b>

The equity shares of the Transferor Company No. 2 are not listed on any stock exchanges.

31.2 The share capital of the Transferor Company No. 3 as on March 31, 2023 was as under:

Particulars	Amount (in Rs.)
<b>Authorized Capital</b>	
5,000 Equity Shares of Rs.100/- (Rupees Hundred Only) each	5,00,000
4,950 unclassified Shares of Rs. 100/- (Rupees Hundred Only) each	4,95,000
9.50% Cumulative Redeemable Preference Shares of Rs.100/- (Rupees Hundred Only) each	5,000
<b>Total</b>	<b>10,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
4,000 Equity Shares of Rs. 100/- (Rupees Hundred Only) each	4,00,000
<b>Total</b>	<b>4,00,000</b>

Subsequent to the above date and till the date of the scheme being approved by the Board of Directors of the Transferor Company No. 3, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferor Company No. 3.

The equity shares of the Transferor Company No. 3 are not listed on any stock exchanges.

31.3 The share capital of the Transferor Company No. 4 as on March 31, 2023 was as under:

Particulars	Amount (in Rs.)
<b>Authorized Capital</b>	
1,00,000 Equity Shares of Rs. 100/- (Rupees Hundred Only) each	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
48,000 Equity Shares of Rs. 100/- (Rupees Hundred Only) each	48,00,000
<b>Total</b>	<b>48,00,000</b>

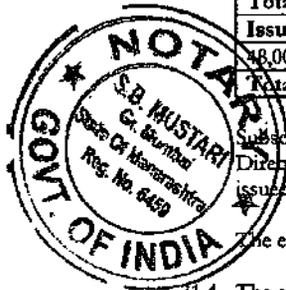
Subsequent to the above date and till the date of the scheme being approved by the Board of Directors of the Transferor Company No. 4, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferor Company No. 4.

The equity shares of the Transferor Company No. 4 are not listed on any stock exchanges.

31.4 The share capital of the Demerged Company/Transferee Company as on March 31, 2023 was as under:

Particulars	Amount (in Rs.)
<b>Authorized Capital</b>	
2,00,00,000 Equity Shares of Rs. 5/- (Rupees Five Only) each	10,00,00,000

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Total	10,00,00,000
Issued, Subscribed and Paid-up Capital	
1,34,48,288 Equity Shares of Rs.5/- (Rupees Five Only) each	6,72,41,440
Total	6,72,41,440

Subsequent to the above date and till the date of the scheme being approved by the Board of Directors of the Demerged Company/Transferee Company, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Demerged Company/Transferee Company.

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



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PART B

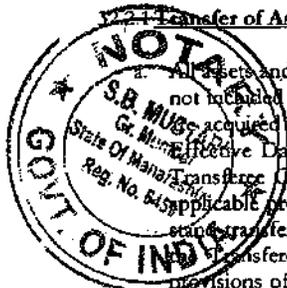
AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY

32. TRANSFER AND VESTING OF UNDERTAKING

32.1 **General:** Subject to the provisions of Section III of the Scheme and after giving effect of Section I and Section II, of this Scheme and with effect from the Appointed Date and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, if any, the entire business and Undertaking of the Transferor Companies including all the debts, liabilities, losses, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Companies of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Companies comprising, amongst others, all investments, receivables, actionable claims, furniture and fixtures, office equipment, telephones, telex, facsimile and other communication facilities and business licenses, permits, deposits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, know-how, trade secret, patents, trademark, service mark, other intellectual property rights, registrations, title, interest, contracts including but not limited to contracts entered into with customers, vendors and service providers, consents, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of section 234 read with sections 230 to 232 of the Act and pursuant to the order of the National Company Law Tribunal sanctioning this Scheme and without further act, instrument or deed, but subject to the changes affecting the same as on the Effective Date, be transferred and/or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, business and Undertaking of the Transferor Companies.

32.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and after giving effect of the Section III and with effect from the Appointed Date:

32.2.1 Transfer of Assets:



All assets and properties of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies and all assets and properties which were not acquired by the Transferor Companies on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement in order to give effect to the provisions of this sub-clause.

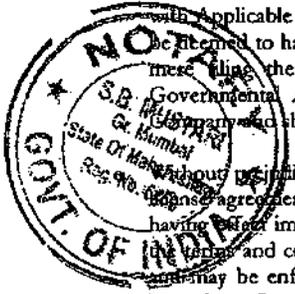
b. In respect of such assets owned and belonging to the Undertaking of the Transferor Companies as are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, including machinery, equipment, pursuant to this Scheme shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company, wherever located and shall become the property and an integral part of the Transferee Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or



constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

c. All other movable properties of the Transferor Companies including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits (including deposits from members), if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. The Transferee Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in Transferee Company and be paid or made good or held on account of the Transferee Company as the person entitled thereto. It is hereby clarified that investments, if any, made by Transferor Companies and all the rights, title and interest of the Transferor Companies in any leasehold properties shall, pursuant to Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company;

d. All immovable properties of the Transferor Companies including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Companies whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto, shall be vested in and/or be deemed to have been vested in the Transferee Company, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law without any further act or deed done or being required to be done by the Transferor Companies and/or the Transferee Company, pursuant to the sanctioning of the Scheme and upon the Scheme becoming effective. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties, upon the sanctioning of Scheme by the Competent Authority and the Scheme becoming effective. The relevant authorities shall grant all clearances/permissions, if any, required for enabling Transferee Company to absolutely own and enjoy the immovable properties in accordance with Applicable Law. Upon this Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Transferee Company and the same shall be constituted as a deemed mutation and substitution thereof;



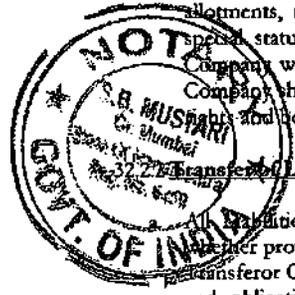
Without prejudice to the generality of the foregoing, all lease agreements and leave and license agreements, as the case may be, to which the Transferor Companies is a party, and having effect immediately before the Effective Date, shall remain in full force and effect on the same terms and conditions contained therein in favour of or against the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligee thereto or thereunder; and the respective lessees and the licensees, as the case may be, shall continue to be in possession of the premises subject to the terms and conditions contained in the relevant lease agreements or leave and license agreements, as the case may be. Further, all the rights, title, interest and claims of the Transferor Companies in any properties including leasehold/licensed properties of the Transferor Companies including but not limited to security deposits and advance or prepaid lease or license fee, shall, on the same terms and conditions,



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be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company automatically without requirement of any further act or deed, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law including without the requirement of payment of any transfer charges or any other charges. The Transferee Company shall continue to pay rent or lease or license fee as provided for under such agreements, and the Transferee Company shall continue to comply with the terms, conditions and covenants thereunder;

- f. From the Effective Date, all bank accounts operated or entitled to be operated by the Transferor Companies shall be deemed to have transferred and shall stand transferred to the Transferee Company and name of the Transferor Companies shall be substituted by the name of the Transferee Company in the bank's records and the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Companies to the extent necessary until the transfer of the rights and obligations of the Transferor Companies to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Companies after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. Similarly, the banker of the Transferee Company shall honour all cheques issued by the Transferor Companies for payment after the Effective Date;
- g. The transfer and vesting of movable and immovable properties as stated above, shall be subject to Encumbrances, if any, affecting the same; and
- h. All consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney given by, issued to or executed in favour of the Transferor Companies including in relation to the Undertaking of the Transferor Companies and all rights and benefits which have accrued to the Transferor Companies shall, under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, stand transferred to and vested in, or shall be deemed to be transferred to or vested in, the Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, so as to become, as and from the Appointed Date, consents, permissions, licenses, permits, quotas, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, registrations, incentives, subsidies, concessions, grants, rights, claims, liberties, special status, other benefits or privileges and any powers of attorney of the Transferee Company which are valid, binding and enforceable on the same terms, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the benefits under the same shall be available to the Transferee Company.



Transfer of Liabilities:

All liabilities of every kind, nature and description whatsoever and howsoever arising, whether provided for or not in the books of account or disclosed in the balance sheets of the Transferor Companies shall be deemed to be the debts, liabilities, contingent liabilities, duties, and obligations of the Transferee Company, and the Transferee Company shall, and undertakes to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Companies after the Appointed Date and prior to the Effective Date, shall also be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Sections 230 to 232 of the Act and all other applicable



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provisions of Applicable Law, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same;

- b. Where any of the Liabilities incurred before the Appointed Date by the Transferor Companies deemed to have been transferred to the Transferee Company by virtue of this Scheme, have been discharged by the Transferor Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company;
- c. All debentures, bonds, notes or other securities of the Transferor Companies whether convertible into equity or otherwise, shall, without any further act, instrument or deed become the debentures, bonds, notes or other securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and shall stand transferred to and vested in or deemed to be transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Companies under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law and without any further act or deed. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party, to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause;
- d. All public deposits, debentures or bonds of the Transferor Companies shall be distinctly identified in the records of the Transferee Company for all intents and purposes including taxation and accounting and shall not be combined with any existing outstanding deposit scheme or series of debentures or bonds of the Transferee Company;
- e. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Companies which secure or relate to any liability, shall, after the Effective Date, without any further act, instrument or deed, continue to be related and attached to such assets or any part thereof to which they related or were attached prior to the Effective Date and as are transferred to the Transferee Company. Provided that if any assets of the Transferor Companies have not been Encumbered in respect of the liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security after the Scheme has become effective or otherwise. The secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interests of the Transferor Companies and therefore, such assets which are not currently Encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or any third party shall not affect the operation of the foregoing provisions of this Scheme;
- f. Any reference in any security documents or arrangements (to which the Transferor Companies are party) to the Transferor Companies and their assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Companies shall be transferred to the Transferee Company by virtue of the Scheme. Without prejudice to the foregoing provisions, the Transferor Companies and the Transferee Company may execute any instruments or documents or do all acts and things as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional Registrar of Companies for full effect to these provisions, if required; and





subject to the necessary approvals and permissions, and at the discretion of the Transferee Company, be merged with the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own funds in respect of any of the above or if deemed appropriate by the Transferee Company, the Transferee Company may, subject to necessary approvals and permissions, maintain the existing funds separately and contribute thereto until such time that the Transferee Company creates its own funds, at which time the Funds and the investments and contributions pertaining to the employees shall be merged with the funds created by the Transferee Company.

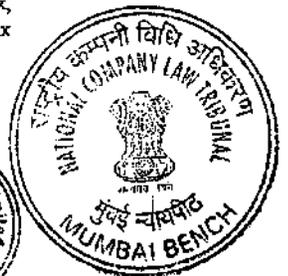
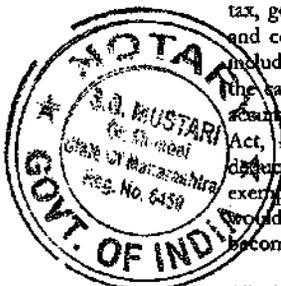
- c. In relation to those Employees for whom the Transferor Companies is making contributions to the government provident fund or other employee benefit fund, the Transferee Company shall stand substituted for the Transferor Companies for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees, such that all the rights, duties, powers and obligations of the Transferor Companies as the case may be in relation to such schemes/ Funds shall become those of the Transferee Company.

**32.2.5 Legal Proceedings**

- a. If any suit, appeal or other legal proceedings of whatsoever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company and 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 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 Companies as if this Scheme had not been made.
- b. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Companies.

**32.2.6 Taxes, Duties/Cess**

- a. All taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, withholding tax, dividend distribution tax, banking cash transaction tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, goods and services tax, customs, duties, etc.), including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the Transferor Companies including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, accumulated losses and allowance for unabsorbed depreciation as per Section 72A of the IT Act, losses brought forward and unabsorbed depreciation as per books of account, deductions otherwise admissible such as under Section 40, 40A, 43B, etc. of the IT Act, exemptions, credits, exemptions, credits, deductions / holidays, remissions, reductions etc., as would have been available to the Transferor Companies shall pursuant to this Scheme becoming effective, be available to the Transferee Company; and
- b. All the benefits under the various incentive schemes and policies that the Transferor Companies is entitled to, including tax credits, tax deferral, exemptions, holidays and benefits (including goods and service tax input credits, service tax input credits, all indirect tax related assets / credits, including but not limited to goods and service tax input credits, service tax input credits, value added/ sales tax/ entry tax credits or set-off, advance tax, withholding tax/ TDS, taxes withheld/ paid in a foreign country, self-assessment tax, regular tax, minimum alternate tax, dividend distribution tax, securities transaction tax, deferred tax



assets/ liabilities, accumulated losses under the IT Act and allowance for unabsorbed depreciation under the IT Act, losses brought forward and unabsorbed depreciation as per the books of account), subsidies, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed by the Transferor Companies rights of any claim not made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon and all rights or benefits that have accrued or which may accrue to the Transferor Companies whether on, before or after the Appointed Date, shall upon this Scheme becoming effective and with effect from the Appointed Date be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive schemes and/or policies.

32.2.7 Transfer of benefits, licenses, permits etc.

- a. All the security interest over any moveable and/or immovable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Transferor Companies or any other person acting on behalf of or for the benefit of the Transferor Companies for securing the obligations of the persons to whom the Transferor Companies has advanced loans and granted other funded and non-funded financial assistance, by way of letter of comfort or through other similar instruments shall without any further act, instrument or deed stand vested in and be deemed to be in favour of the Transferee Company and the benefit of such security shall be available to the Transferee Company as if such security was ab initio created in favour of the Transferee Company. The mutation or substitution of the charge in relation to the movable and immovable properties of the Transferor Companies shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities and third parties (including any depository participants) pursuant to the sanction of this Scheme by the Competent Authority and upon the Scheme becoming effective in accordance with the terms hereof;
- b. All letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders and other instruments of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligee thereto. Upon coming into effect of this Scheme, the past track record of the Transferor Companies shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes;



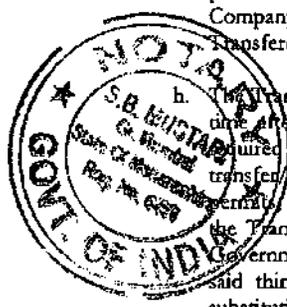
All approvals, allotments, consents, concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorisation, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Transferor Companies or to the benefit of which the Transferor Companies may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, including the applications and benefits of any applications made for any of the foregoing, shall be in full force and effect in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies the Transferee Company had been a party or beneficiary or obligor thereto and the Transferee Company shall be liable for compliance with all the conditions governing such consents, permits, approvals, etc. as stated above. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall make and duly record the necessary



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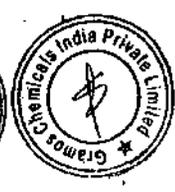
substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes;

- d. All consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company;
- e. All trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information shall stand transferred to and vested in the Transferee Company;
- f. All registrations, goodwill and licenses, appertaining to the Transferor Companies if any, shall be transferred to and vested in the Transferee Company;
- g. Benefits of any and all corporate approvals as may have already been taken by the Transferor Companies whether being in the nature of compliances or otherwise, including without limitation approvals under Sections 42, 62, 180, 185, 186, etc., of the Act, read with the rules and regulations made thereunder, shall stand transferred to the Transferee Company and the said corporate approvals and compliances shall be deemed to have been taken/complied with by the Transferee Company; it being clarified that if any such resolutions have any monetary limits approved subject to the provisions of the Act and of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of the Transferee Company, shall be added to the limits, if any, under the like resolutions passed by the Transferee Company; and
- h. The Transferor Companies and/or the Transferee Company as the case may be, shall, at any time after this Scheme becoming effective in accordance with the provisions hereof, if so required under Applicable Law or otherwise, do all such acts or things as may be necessary to transfer/novate the approvals, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Companies. It is hereby clarified that if the consent of any third party or Governmental Authority, if any, is required to give effect to the provisions of this clause, the said third party or Governmental Authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Competent Authority, and upon this Scheme becoming effective in accordance with the provisions of the Act and with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.



32.3 The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

32.4 The Transferee Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Competent Authority.



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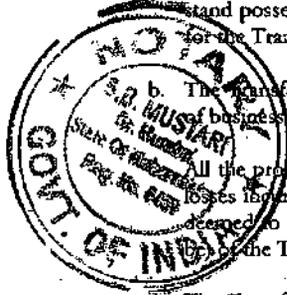
32.5 Without prejudice to the other provisions of the Scheme and notwithstanding the vesting of the Transferor Companies into the Transferee Company, in order to ensure (i) implementation of the provisions of the Scheme; and (ii) continued vesting of the benefits, exemptions available to the Transferor Companies in favour of the Transferee Company, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to which the Transferor Companies has been a party, including any filings with the regulatory authorities in order to give formal effect to the above provisions and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies. The Transferee Company will, if necessary, also be a party to the above.

32.6 In order to ensure the smooth transition and sales of products and inventory of the Transferor Companies manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Companies prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packaging material) pertaining to the Transferor Companies without making any modifications, whatsoever to such products and/or the branding, packaging or labelling. All invoices/payment related documents pertaining to such products and inventory (including packaging material) may be raised in the name of the Transferee Company after the Effective Date.

32.7 Conduct Of Business until Effective Date

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

a. The Transferor Companies shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the assets, rights, title and interest for and on account of and in trust for the Transferee Company.



b. The Transferor Companies shall carry on their business and activities in the ordinary course of business with reasonable diligence and business prudence.

c. All the profits or income accruing or arising to the Transferor Companies or expenditure or losses incurred or arising to the Transferor Companies shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company.

d. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Government Authorities concerned, as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require for carrying on the business of the Transferor Companies.

e. The Transferor Companies shall carry on their business, operations or activities with reasonable diligence and business prudence and in the same manner as they had been doing hitherto 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.

f. The Transferee Company and the Transferor Companies shall also be entitled to make an application for amending, cancelling or obtaining fresh registrations, as the case may be, under all Applicable Laws and legislations. The Transferee Company and the Transferor Companies would be entitled to make an application for amending licenses/ authorisations.



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PART C

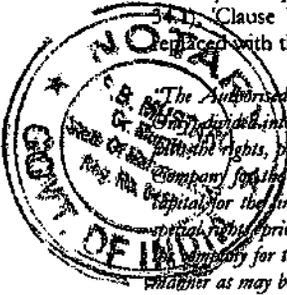
33. CONSIDERATION:

33.1 The Transferor Companies are wholly owned subsidiary and / or step down subsidiary companies of Transferee Company. Their entire share capital is directly or indirectly held by the Transferee Company. Hence, upon the Scheme becoming effective, no shares of Transferee Company shall be allotted in lieu or exchange of the shares of the Transferor Companies. Upon the Scheme becoming effective, the entire share capital of the Transferor Companies shall be cancelled and extinguished.

34. AGGREGATION AND RECLASSIFICATION OF AUTHORISED SHARE CAPITAL OF THE TRANSFEREE COMPANY

34.1 Upon this Scheme becoming effective, the authorized share capital of the Transferor Companies shall be reclassified and stand consolidated with the authorized share capital of the Transferee Company. Accordingly, the authorized share capital of the Transferee Company shall stand increased to that extent, without any further act, instrument or deed on the part of the Transferee Company, including without any payment of stamp duty and any fees or charges payable to the Registrar of Companies, and/or to any other Governmental Authority, and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14, 61 and 232(3)(i) respectively of the Companies Act, 2013 and/or any other applicable provisions of the Act, as the case may be. Hence, for this purpose, the stamp duties and fees paid on the authorised share capital of the Transferor Companies shall be utilized and applied to the increased authorised share capital of the Transferee Company and no extra stamp duty and/or fees shall be required to be paid by the Transferee Company for its increased authorised share capital.

34.2 Consequent upon demerger and amalgamation (after giving effect of clause 13.1 and clause 34.1), 'Clause V' of the Memorandum of Association of the Transferee Company shall be replaced with the following:



"The Authorized Share Capital of the Company is Rs. 10,60,00,000/- (Rupees Ten Crores Sixty Lakhs only) divided into 2,12,00,000 (Two Crores Twelve Lakhs) Equity Shares of Rs.5/- (Rupees Five only) each with the rights, privileges, and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with the power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the articles of association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the law for the time being in force or provided by the Articles of Association for the time being."

34.3 It is clarified that the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61, respectively, of the Companies Act, 2013 and/ or any other applicable provisions of the Act, would be required to be separately passed.

34.4 In the event, the authorized share capital of the Transferee Company undergoes any change prior to the Effective Date, the clauses specified in this Scheme to replace the existing clause V of the memorandum of association, shall be adjusted accordingly to take into account the effect of any such corporate actions.



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35. ACCOUNTING TREATMENT

35.1 As the Transferor Companies shall stand dissolved without being wound up and all the assets and liabilities as well as reserves shall be transferred to the Transferee Company, on a going concern basis, upon the Scheme becoming effective, hence there is no accounting treatment prescribed under this Scheme in the books of the Transferor Companies.

35.2 On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are under common control before and after the transaction, the Transferee Company shall account for the transfer and vesting of the Undertaking as per the "Pooling of Interests" method in its books of accounts in accordance with Appendix C for Business combinations of entities under common control of the Indian Accounting Standards (IND AS) 103 prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other applicable accounting standards prescribed under the Act.

35.3 The pooling of interests' method is considered to involve the following:

- a. All the assets and liabilities of the Transferor Companies shall be recorded in the financial statements of the Transferee Company at their carrying amounts as appearing in the financial statements of the Transferor Companies, prior to this Section III being made effective. No adjustments will be made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonize the accounting policies.
- b. The identity of the reserves of the Transferor Companies shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form and manner in which they appear in the financial statements of the Transferor Companies, prior to Section III of this Scheme being made effective, and it shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.



The difference between the i) aggregate face value of the equity shares of the Transferee Company issued and allotted by it to the members of the Transferor Companies, if any, which is expected to be NIL in view of clause 33) and ii) the equity share capital of the Transferor Companies respectively, shall be adjusted in the capital reserve account.

The financial information in the financial statements of the Transferee Company in respect of the preceding period should be restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

- e. The difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the capital reserves account of the Transferee Company.
- f. To the extent that there are inter-corporate loans/trade deposits, debentures, debt securities or balances between the Transferor Companies inter se and/or the Transferor Companies and the Transferee Company, the obligation in respect thereof shall come to an end and corresponding effect shall be given in the books of account and the records of the Transferee Company for the reduction / netting of any assets or liabilities, as the case may be. Difference, if any, arising upon such cancellation, shall be credited or debited, as the case may be, to the reserve of the Transferee Company.
- g. The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Tribunals or any other Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date.



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However, if the Ind AS 103 require the amalgamation to be accounted with effect from a different date, then it would be accounted as per the requirements of Ind AS 103, for accounting purpose, to be compliant with the Indian accounting standards. For regulatory and tax purposes, amalgamation would have been deemed to be effective from the Appointed Date of this Scheme.

- b. In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policies. The difference, if any, in the accounting policies between the Transferor Companies and Transferee Company, shall be ascertained and the impact of the same will be quantified and adjusted in the retained earnings or another affected component of equity of the Transferee Company, as applicable, in accordance with the requirements of Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
- i. The costs relating to the Scheme will be accounted in accordance with Ind AS 103.

**36. TREATMENT OF TAXES PAID BY THE TRANSFEROR COMPANIES**

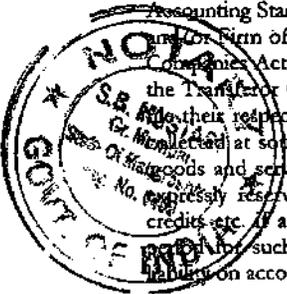
36.1 All taxes, levies, cess, etc. (whether direct or indirect) that might have been paid by the Transferor Companies (whether before or after the Appointed Date) during the period when the amalgamation has not become effective for any tax liability that arises after the Appointed Date shall be deemed to be tax paid by the Transferee Company and credit in respect thereof shall be given to the Transferee Company accordingly.

**37. TREATMENT OF SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961**

37.1 Upon this Scheme being effective, and in terms thereof, the Transferor Companies and the Transferee Company are expressly permitted to prepare/redraw the relevant financial statements, as required, in accordance with, and in terms of, Appendix C to Indian Accounting Standards ("IndAS") 103 and/or International Financial Reporting Standards and/or Accounting Standards, as applicable, and the financial statements once certified by the Auditors and/or Firm of Chartered Accountants, will be regarded as duly drawn up in compliance with Companies Act, 2013 and/or laws applicable in relation to the Transferor Companies. Further the Transferor Companies and the Transferee Company are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / value added tax returns, goods and services tax returns, minimum alternate tax returns as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired and without incurring any additional liability on account of interest, penalty, late fees or any other sum.

37.2 Any refund under the tax laws received by or due to the Transferor Companies consequent to any assessments made on the Transferor Companies subsequent to the Appointed Date pertaining to the business transferred 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.

37.3 Any transaction entered into by the Transferor Companies between the Appointed Date and the Effective Date will not be regarded as noncompliant of withholding tax/tax deduction at source obligation under the Income Tax Act, 1961 or Goods and Service Tax obligation only on the ground that, on the sanction of the scheme, the transactions are regarded as having been carried out by the Transferee Company.



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**38. DATE OF TAKING EFFECT AND OPERATIVE DATE**

38.1 The Scheme as set out herein in its present form, or with any modification(s) or amendment(s) approved, imposed or directed by the NCLT or any other appropriate authority and acceptable to the Board of Transferee Company, shall be effective from the Appointed Date, as defined in Section 232 (6) of the Act, but shall be operative from the Effective Date.

**39. VALIDITY OF EXISTING RESOLUTIONS, ETC**

39.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the Transferor Companies as are considered necessary by the Board of Directors of Transferee Company and which are validly subsisting, shall be considered as resolutions of Transferee Company. If any such resolutions have any monetary limits approved subject to the provisions of the Act or of any other Applicable Laws, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.

**40. SAVING OF CONCLUDED TRANSACTION**

40.1 The transfer and vesting of the assets, liabilities and obligations pertaining/relating to the Transferor Companies pursuant to this Scheme, and the continuance of the proceedings by or against the Transferee Company, under clause 32 hereof shall not affect any transactions or proceedings already completed or liabilities incurred by the Transferor Companies either prior to or on or after the Appointed Date, to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Companies as acts, deeds and things done and executed by and/or on behalf of itself.

**41. DISSOLUTION OF THE TRANSFEROR COMPANY NO. 2, TRANSFEROR COMPANY NO. 3 AND TRANSFEROR COMPANY NO. 4**

41.1 Transferor Company No. 2, Transferor Company No. 3 and Transferor Company No. 4 shall be dissolved without winding up, on an order made by the NCLT under Section 230 of the Act. On and with effect from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the relevant Registrar of Companies.



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SECTION IV

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME

42. CHANGE IN NAME OF THE DEMERGED COMPANY AND THE RESULTING COMPANY

42.1 CHANGE IN THE NAME OF THE DEMERGED COMPANY

42.1.1 Upon the Scheme becoming effective, the name of the Demerged Company shall, without any further act, instrument or deed, stand altered to "Chembond Material Technologies Limited." Such alteration in the name of the Demerged Company shall take place as an integral part of the Scheme and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this alteration in the name of the Demerged Company. No further resolution(s) under Sections 4, 13, 114 of the Companies Act, 2013 or any other applicable provisions of the Act or any Rules thereunder, would be required to be separately passed.

42.1.2 Pursuant to this Scheme, the Demerged Company shall file all the requisite forms with Registrar of Companies for such change in name.

42.2 CHANGE IN THE NAME OF THE RESULTING COMPANY

42.2.1 Upon the Scheme becoming effective, the name of the Resulting Company shall, without any further act, instrument or deed, stand altered to "Chembond Chemicals Limited." Such alteration in the name of the Resulting Company shall take place as an integral part of the Scheme and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this alteration in the name of the Resulting Company. No further resolution(s) under Sections 4, 13, 114 of the Companies Act, 2013 or any other applicable provisions of the Act or any Rules thereunder, would be required to be separately passed.

42.2.2 Pursuant to this Scheme, the Resulting Company shall file all the requisite forms with Registrar of Companies for such change in name.

43. APPLICATION TO THE TRIBUNAL

43.1 Each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and Transferor Companies, shall, as may be required, make applications and/or petitions under Sections 230 through 232 of the Act and/ or other applicable provisions of the Act to the Tribunal for sanction of this Scheme and all matters ancillary or incidental thereto.

44. EFFECTIVENESS OF THE SCHEME

44.1 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

- a. with effect from the Appointed Date, the demerger of the Demerged Undertaking of the Demerged Company, and the vesting of the same in the Resulting Company shall be deemed to have occurred, pursuant to Section I of this Scheme, in accordance with Section 2(19AA) of the IT Act;
- b. with effect from Appointed Date, the amalgamation of the Transferor Company No. 1 with the Resulting Company shall be deemed to have occurred, pursuant to Section II change of this Scheme, in accordance with Section 2(1B) of the IT Act



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- c. with effect from the Appointed Date, the amalgamation of the Transferor Companies with the Transferee Company shall be deemed to have occurred, pursuant to Section III change of this Scheme, in accordance with Section 2(1B) of the IT Act.

**45. MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

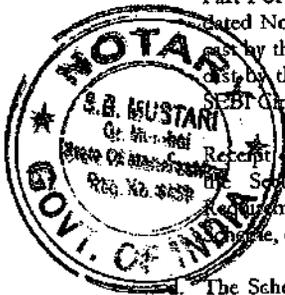
45.1 Each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and Transferor Companies, through their respective boards of directors (which shall include any committee constituted by the respective boards) may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Tribunal and/ or any other authority may deem fit to direct or impose or which may be otherwise considered necessary, desirable or appropriate by them.

45.2 Each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and Transferor Companies, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any authority or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected therewith.

**46. CONDITIONALITY OF THE SCHEME**

46.1 The effectiveness of Section I of this Scheme is and shall be conditional upon and subject to:

- a. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/ or creditors of each of the Demerged Company and the Resulting Company as may be required under applicable laws;
- b. The Demerged Company providing e-voting facility to all its shareholders in terms 10 (a) of Part I of the SEBI Master Circular no. SEBI/HO/CFD/DILI/CIR/P/2021/O000000665 dated November 23, 2021 and Scheme of Arrangement to be acted upon only if the 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 as required in Para 10 (b) Part I of the aforesaid SEBI Circular.



Receipt of observation/ no-objection letters from Stock Exchanges under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in accordance with SEBI Scheme Circular in respect of the Scheme, on terms acceptable to the Companies.

- c. The Scheme being sanctioned by the Tribunal under Sections 230-232 of the Act and/ or other applicable provisions of the Act.

- e. Certified copies of the orders of the tribunal sanctioning this Scheme being filed with RoC by each of the Demerged Company and the Resulting Company.

46.2 The effectiveness of Section II of this Scheme is and shall be conditional upon and subject to:

- a. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/ or creditors of each of the Transferor Company No. 1 and Resulting Company as may be required under applicable laws;
- b. The Demerged Company providing e-voting facility to all its shareholders in terms 10 (a) of Part I of the SEBI Master Circular no. SEBI/HO/CFD/DILI/CIR/P/2021/O000000665 dated November 23, 2021 and Scheme of Arrangement to be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes



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cast by the public shareholders against it as required in Para 10 (b) Part I of the aforesaid SEBI Circular.

- c. Receipt of observation/ no-objection letters from Stock Exchanges under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in accordance with SEBI Scheme Circular in respect of the Scheme, on terms acceptable to the Companies.
- d. The Scheme being sanctioned by the Tribunal under Sections 230-232 of the Act and/or other applicable provisions of the Act.
- e. Certified copies of the orders of the tribunal sanctioning this Scheme being filed with RoC by each of the Transferor Company No. 1 and Resulting Company.

46.3 The effectiveness of Section III of this Scheme is and shall be conditional upon and subject to:

- a. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/or creditors of each of the Transferor Companies and the Transferee Company and as may be required under applicable laws;
- b. The Demerged Company providing e-voting facility to all its shareholders in terms 10 (a) of Part I of the SEBI Master Circular no. SEBI/HO/CFD/DILI/CIR/P/2021/C0000000665 dated November 23, 2021 and Scheme of Arrangement to be acted upon only if the 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 as required in Para 10 (b) Part I of the aforesaid SEBI Circular.
- c. Receipt of observation/ no-objection letters from Stock Exchanges under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in accordance with SEBI Scheme Circular in respect of the Scheme, on terms acceptable to the Companies.
- d. The Scheme being sanctioned by the Tribunal under Sections 230-232 of the Act and/or other applicable provisions of the Act.
- e. Certified copies of the orders of the tribunal sanctioning this Scheme being filed with RoC by each of the Transferor Companies and the Transferee Company.

**47. EFFECT OF NON-RECEIPT OF APPROVALS**

47.1 In the event any of the said approvals or sanctions referred to in clause 46 above not being obtained or conditions enumerated in the Scheme are not being complied with, and/or the Scheme not being sanctioned by the Tribunal, or for any other reason, the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and Transferor Companies shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

47.2 In the event of revocation under the above clause, no rights and liabilities whatsoever shall accrue to or be incurred inter se to the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and Transferor Companies or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or



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obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

47.3 The Board of Directors of the Demerged Company/Transferee Company and the Resulting Company shall be entitled to withdraw this Scheme prior to the Effective Date.

48. FILING / AMENDMENT OF RETURNS, ETC

48.1 Each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and the Transferor Companies are expressly permitted to file/revise/reopen their financial statements (including their balance sheet and profit and loss statement) and income tax, wealth tax, service tax, value added tax, minimum alternate tax and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such statements/returns may have lapsed, in order to give full effect to the Scheme, without requiring/ seeking any additional consent or approval under any applicable laws/rules and regulations. Each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and the Transferor Companies is expressly permitted to amend tax deduction at source and other statutory certificates and shall have the right to claim refunds, advance tax credits, minimum alternate tax, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date.

49. SEVERABILITY OF ANY PART OF THE SCHEME

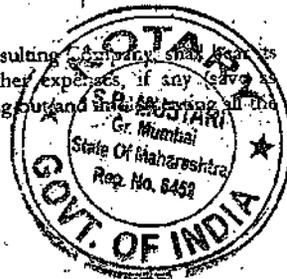
49.1 If any part of the Scheme (or any part of a Section thereof) is ruled invalid or illegal by any Tribunal or any other Governmental Authority, or unenforceable under present or future laws, then it is the intention of the parties that at the discretion of the parties, such part shall be severable from the remainder of the Scheme (or any Section thereof) and the Scheme (or any Section thereof) shall not be affected thereby, unless the deletion of such part shall cause the Scheme (or any Section thereof) to become materially adverse to any party, in which case each of the Demerged Company/Transferee Company, Resulting Company, Transferor Company No. 1 and the Transferor Companies, (acting through their respective boards of directors) shall attempt to bring about a modification in the Scheme (or any Section thereof), as will best preserve for the parties, the benefits and obligations of this Scheme (or any Section thereof), including but not limited to such part.

50. STAMP DUTY

50.1 Since Sections I, Section II and Section III of the Scheme relate to a transfer of properties between a parent company and its wholly owned subsidiaries (direct and indirect), pursuant to a composite scheme of arrangement, no stamp duty shall be payable in respect of transfer of such properties.

51. COSTS CHARGES AND EXPENSES

51.1 Each of the Demerged Company/Transferee Company and Resulting Company shall bear its own costs, charges, taxes, including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing all the Sections of this Scheme and matters incidental thereto.



PTO

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Deputy Registrar  
National Company Law Tribunal, Mumbai Bench