



**FAIRCHEM**  
A FAIRFAX COMPANY

# FAIRCHEM SPECIALITY LIMITED

(Formerly Known as **ADI FINECHEM LIMITED**)

Corporate Office : 1<sup>st</sup> Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road,  
Off S.G. Road, Ahmedabad - 380 059. INDIA.

Phone : (079) 29701675, 7818824096 E-mail : info@fairchem.in  
CIN : L15140MH1985PLC286828 Website : www.fairchem.in

24<sup>th</sup> December, 2016.

To,  
**National Stock Exchange of India Ltd.**  
Exchange Plaza,  
Plot no. C/1, G Block  
Bandra-kurla Complex  
Bandra (E)  
Mumbai – 400 051.

To,  
**Department of Corporate Services,  
BSE Limited.**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**Ref: : BSE Code: 530117 and NSE Symbol: 'ADI'**

Dear Sirs,

**Sub.: Copies of Notices of the Court Convened Meetings for approval of the Scheme of Arrangement.**

Pursuant an Order made on 9<sup>th</sup> day of December, 2016, passed by the Hon'ble High Court of Bombay at Mumbai and Regulation 30 of the SEBI (LODR) Regulations, 2015, we are attaching herewith a PDF file containing Notice to shareholders for holding court convened meeting (CCM) on 16<sup>th</sup> January, 2017 and Notice for postal ballot as per SEBI circular bearing No. CIR/CFD/CMD/16/2015 dated November 30, 2015, - both for approval of scheme of Arrangement by the members of the Company in the manner stated in the said notices.

The above notices in physical form have already been sent to ALL the shareholders through permitted mode on 23<sup>rd</sup> December, 2016.

The remote e-voting for CCM commences on 12<sup>th</sup> January, 2017 at 9.00 a.m. and ends on 15<sup>th</sup> January, 2017 at 5.00 p.m. The e-voting for Postal Ballot is available from December 24, 2016 at 9.00 a.m. to January 22, 2017 at 5.00 p.m.

Kindly take the above on your record.

Thanking you,

Yours faithfully,  
For Adi Finechem Limited,

  
Rajen Jhaveri  
Chief Financial Officer & Company Secretary  
Encl: as above

Works : 253/P & 312, Sanand - Kadi Highway, Village -Chekhala, Taluka : Sanand, Dist.: Ahmedabad 382 115. INDIA.  
Ph. : (02717) 294375, 9016324095 E-mail : info@fairchem.in

Regd. Office : 324, Dr. D.N. Road, Fort, Mumbai – 400 001, INDIA



# FAIRCHEM SPECIALITY LIMITED

(Formerly known as **ADI FINECHEM LIMITED**)

**Regd. Office:** 324, Dr. D.N. Road, Fort, Mumbai - 400 001, INDIA

**Corporate Office:** 1st Floor, 2, Sigma Corporates, B/h H.O.F. Living, Sindhu Bhavan Road, Off. S. G. Road, Ahmedabad-380 059. Gujarat, India

**Ph.:** (079) 29701675 **Email:** info@fairchem.in

**Website:** http://www.fairchem.in **CIN:** L15140MH1985PLC286828

## HIGH COURT CONVENED MEETING AND POSTAL BALLOT AND E-VOTING OF THE EQUITY SHAREHOLDERS OF FAIRCHEM SPECIALITY LIMITED

### NOTICE TO SHAREHOLDERS

<b>Day</b>	: Monday
<b>Date</b>	: 16th January, 2017
<b>Time</b>	: 3.00 PM
<b>Venue</b>	: Ahmedabad Textile Mills' Association Hall, Opposite City Gold Cinema, Ashram Road, Ahmedabad – 380 009.

### POSTAL BALLOT

<b>Commencing on</b>	: 24 <sup>th</sup> December, 2016
<b>Ending on</b>	: 22 <sup>nd</sup> January, 2017

### E-VOTING

<b>Commencing on</b>	: 12 <sup>th</sup> January, 2017
<b>Ending on</b>	: 15 <sup>th</sup> January, 2017

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## FAIRCHEM SPECIALITY LIMITED

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO 1024 OF 2016

In the matter of Companies Act, 1956 (1 of 1956) and other applicable provisions of Companies Act, 2013;

And

In the matter of Section 391 & 394 read with sections 100 to 103 of the Companies Act, 1956; and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 to the extent notified;

And

In the matter of Scheme of Arrangement between Privi Organics ("Demerged Company") and Fairchem Speciality Limited (Erstwhile known as Adi Finechem Limited)("1st Resulting Company") and Adi Aromatic Limited, ("2nd Resulting Company") and their respective shareholders and creditors.

FAIRCHEM SPECIALITY LIMITED  
(Formerly, Adi Finechem Limited), a  
Company incorporated under the  
provisions Of the Companies Act, 1956  
and having its registered office at 324,  
Dr. D. N. Road, Fort, Mumbai-400001.

...Applicant Company/ 1<sup>st</sup>Resulting Company

### NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS

To,

The Equity Shareholders of Fairchem Speciality Limited (Formerly, Adi Finechem Limited),

**TAKE NOTICE** that by an Order made on December 9, 2016, in the above mentioned Company Application (the "Order"), the Hon'ble High Court of Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at Ahmedabad Textile Mills' Association Hall, Opposite City Gold Cinema, Ashram Road, Ahmedabad – 380 009 on Monday, 16th day of January, 2017 at 3:00 p.m. to consider, and, if thought fit, to approve with or without modification(s), the proposed Scheme of Arrangement between Privi Organics Limited, Fairchem Speciality Limited (Formerly, Adi Finechem Limited) and Adi Aromatic Limited and their respective Shareholders and Creditors ("**Scheme**").

**TAKE FURTHER NOTICE** that in pursuance of the Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company, will be held at Ahmedabad Textile Mills' Association Hall, Opposite City Gold Cinema, Ashram Road, Ahmedabad – 380 009 on Monday, 16th day of January, 2017 at 3:00 p.m. (the "Meeting"), at which place, day, date and time you are requested to attend.

**TAKE FURTHER NOTICE** that you may attend and vote at the Meeting in person, or through electronic means or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Applicant Company at 324, Dr. D. N. Road, Fort, Mumbai 400 001 or at its Corporate Office situated at 1st Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road, Off S.G. Road, Ahmedabad - 380 059, not later than 48 hours before the scheduled time of the Meeting.

The Hon'ble High Court has appointed Mr. Utkarsh Shah, Chairman of the Board of the Applicant Company, failing him, Mr. Jayesh Shah, Director of the Applicant Company and failing him Mr. Nahoosh Jariwala, Managing Director of the Applicant Company, to be the Chairman of the Meeting.

To consider and if thought fit to pass, with or without modification(s), and with requisite majority, the following resolutions under Sections 391 to 394 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), provisions of Companies Act, 2013 as may be applicable:

**"RESOLVED THAT,**

- (i) pursuant to Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956, Section 52 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 or the provisions of Companies Act, 2013, as applicable;



## FAIRCHEM SPECIALITY LIMITED

- (ii) pursuant to the observation letters of the BSE Limited dated November 10, 2016 and National Stock Exchange of India Limited dated November 11, 2016 in terms of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and the Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, issued by the SEBI;
- (iii) subject to the approval of the creditors of the Company, if required;
- (iv) subject to the approval of shareholders and creditors of Privi Organics Limited and Adi Aromatic Limited
- (v) subject to the approval of the Hon'ble High Court of Judicature at Bombay; and/or any other authority as may be applicable.
- (vi) subject to any other approvals, consents, or permissions, as may be required, under applicable laws.

The Scheme of Arrangement between Privi Organics Limited, the Company and Adi Aromatic Limited and their respective shareholders and creditors ("Scheme"), be and is hereby approved.

**RESOLVED FURTHER THAT**, the Board of Directors (which includes any committee thereof) of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the Demerger as embodied in the Scheme and to accept such modifications and/or conditions, if any, which may be required and/or imposed by the SEBI, BSE Limited, National Stock Exchange of India Limited, the Hon'ble High Court of Judicature at Bombay and/or by any other authority, while sanctioning the arrangement as embodied in the Scheme."

**TAKE FURTHER NOTICE** A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956 read with Section 102 and Section 230 of the Companies Act, 2013, Form of Proxy, Attendance Slip and other annexures as stated in the Index are enclosed.

Sd/-

Mr. Utkarsh Shah

DIN 00101663

Chairman Appointed for the Meeting

Dated this 20th the day of December, 2016

Place: Ahmedabad

**Registered Office:**

Fairchem Speciality Limited

(Formerly, Adi Finechem Limited)

324, Dr. D. N. Road, Fort,

Mumbai – 400001

Mail Id: cs@adifinechem.com and cs@fairchem.in



## FAIRCHEM SPECIALITY LIMITED

### Notes:-

1. All alterations made in the Form of Proxy should be initialled.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorized Representative under Sections 112 and 113 of the Companies Act, 2013) at the Equity Shareholders' Meeting or through electronic means. The Authorized Representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' Meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013 or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders' Meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the Meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting.
4. A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
5. Foreign Institutional Investors (FIIs) who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of power of attorney, authorizing the individuals named therein, to attend and vote at the Meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the Meeting.
6. A Member or his/her Proxy is requested to bring the copy of the notice to the Meeting and produce the attendance slip, duly completed and signed, at the entrance of the Meeting venue.
7. Members who hold Shares in dematerialized form are requested to bring their Client ID and DP ID number for easy identification of attendance at the Meeting.
8. Members are informed that in case of joint holders attending the Meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company/list of beneficial owners as received from National Securities Depository Limited/Central Depository Services (India) Limited in respect of such joint holding will be entitled to vote.
9. The Notice is being sent to all members, whose names appeared in the Register of Members/Beneficial Owner as per the details furnished by the Depositories as on 17th December, 2016. This Notice of the Court Convened Meeting of Members of the Applicant Company is also displayed / posted on the website of the Applicant Company at [www.fairchem.in](http://www.fairchem.in)
10. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered Office and Corporate Office of the Applicant Company on all working days except Saturdays, Sundays and Holidays till the date of Meeting.
11. The instructions for Members for e-voting are as under:
  - (i) The voting period begins on Thursday, 12<sup>th</sup> January, 2017 at 9:00 A.M. and ends on Sunday, 15<sup>th</sup> January, 2017 at 5.00 P.M. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11<sup>th</sup> January, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



## FAIRCHEM SPECIALITY LIMITED

(vii) If you are a first time user, follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot indicated in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Bank Details demat account or in the company records in order to login. If both the details are not recorded OR Date of Birth with the depository or company please enter the member id / folio number in the Dividend Bank (DOB) details field as mentioned in instruction (iv).

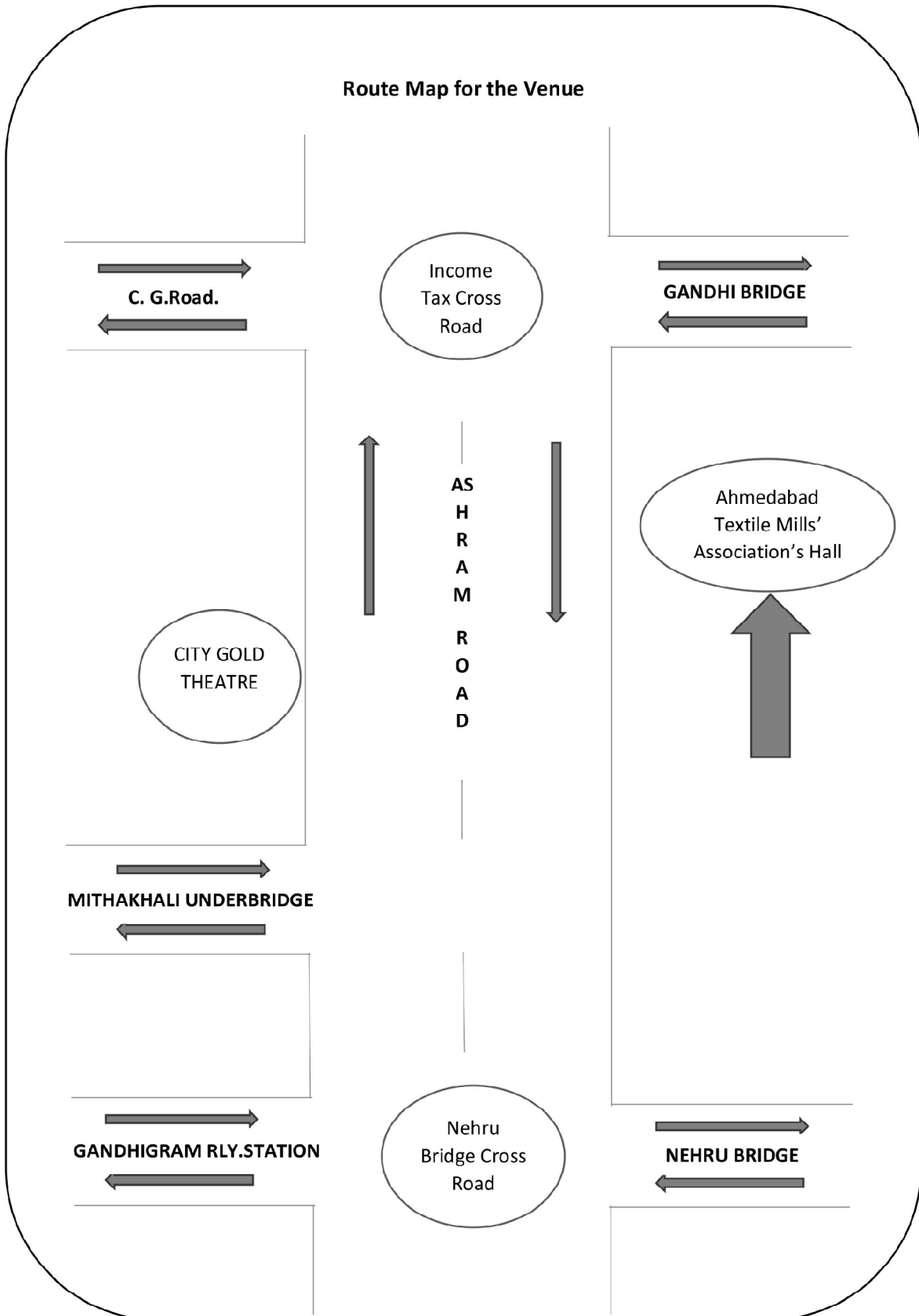
(viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN No. 161221001 for Adi Finechem Limited (Former name of Fairchem Speciality Limited) on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



Route Map to the Venue of the Meeting





## FAIRCHEM SPECIALITY LIMITED

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO. 1024 OF 2016

In the matter of Section 391 to 394 of The Companies Act, 1956 (1 of 1956) or any re-enactment thereof

And

In the matter of Section 391 & 394 read with sections 100 to 103 of the Companies Act, 1956; and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 to the extent notified;

And

In the matter of Scheme of Arrangement between Privi Organics ("Demerged Company") and Fairchem Speciality Limited (Erstwhile known as Adi Finechem Limited), ("1st Resulting Company") and Adi Aromatic Limited, ("2nd Resulting Company") and their respective shareholders and creditors.

### FAIRCHEM SPECIALITY LIMITED

A Company incorporated under the Provisions of the Companies Act, 1956 and having its registered office at 324, Dr. D. N. Road, Fort, Mumbai – 400001

Represented by Mr Rajen Jhaveri (CFO and CS)

...Applicant Company/1<sup>st</sup>Resulting Company

### EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 READ WITH SECTION 102 AND SECTION 230 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE COURT CONVENED MEETING AND THE NOTICE FOR POSTAL BALLOT AND E-VOTING IN THE MANNER SET OUT UNDER SEBI CIRCULAR NO. CIR/CFD/CMD/16/2015 DATED NOVEMBER 30, 2015 OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

1. This is a statement accompanying the Notice convening the Meeting of the Equity Shareholders of the Applicant Company, pursuant to an Order made on 9th December, 2016 passed by the Hon'ble High Court of Bombay in the Company Application No. CSD/1024/2016, referred to hereinabove, to be held at Ahmedabad Textile Mills' Association Hall, Opposite City Gold Cinema, Ashram Road, Ahmedabad – 380 009 on Monday, 16th day of January, 2017 at 3:00 p.m. for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme between Privi Organic Limited ("POL or the Demerged Company"), Fairchem Speciality Limited ("FSL or the Company" or the 1<sup>st</sup> Resulting Company"), (formerly, Adi Finechem Limited) and Adi Aromatic Limited ("AAL or the 2<sup>nd</sup> Resulting Company") and their respective shareholders and creditors ("Scheme").
2. Additionally, in terms of Clause 9 of Annexure I of Securities and Exchange Board of India ("SEBI") Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 (SEBI Circular), the said Scheme shall also be subject to the approval of Public Shareholders (i.e. Equity Shareholders other than those forming part of Promoter and Promoter Group) by passing a requisite Resolution through postal ballot / e-voting, as specified in the Notice of Postal Ballot forming part of this Notice.
3. A copy of the Scheme of Arrangement between Privi Organics Limited and Fairchem Speciality Limited (formerly, Adi Finechem Limited) and Adi Aromatic Limited and their respective shareholders and creditors ("Scheme") is attached herewith as **Annexure A**. The proposed Scheme is envisaged to be effective from 1<sup>st</sup> August, 2016 ("Appointed Date") but shall be made operative from the Effective Date (as defined in the Scheme).
4. Pursuant to the Order made on 9<sup>th</sup> December, 2016 passed by the Hon'ble High Court of Judicature at Mumbai, in Company Application No. CSD/1024/2016 of 2016, a meeting of the Equity Shareholders of Fairchem Speciality Limited (formerly, Adi Finechem Limited) is being convened and held for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Arrangement.
5. The Hon'ble High Court, Bombay by order made on 9<sup>th</sup> December, 2016 was pleased to issue directions for convening of the meeting of the Equity shareholders on 16<sup>th</sup> day of January, 2017, the Monday at 3:00 P.M. to be presided over by Mr. Utkarsh Shah, Chairman of the Board of the Applicant Company, and failing him, Mr. Jayesh Shah, Director of the Applicant Company and failing him Mr. Nahoosh Jariwala, Managing Director of the Applicant Company as Chairman of the Meeting. The said Order will be available for inspection at the Registered Office of the Applicant Company at 324, Dr. D. N. Road, Fort, Mumbai – 400 001 and Corporate office at 1st Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road, Off S.G. Road, Ahmedabad - 380 059, on any working day of the Applicant Company up to the date of meeting.





## FAIRCHEM SPECIALITY LIMITED

6. With effect from the Effective Date, upon the filing of the certified/ authenticated copies of the orders of the Hon'ble High Court of Judicature at Bombay under Sections 391 and 394 of the Companies Act, 1956 and Section 230 to 232 and other relevant sections of the Companies Act, 2013 with the Registrar of Companies, Maharashtra, Mumbai, the Scheme of Arrangement shall come into effect.

### 7. Background of Companies

7.1. The Applicant Company, **Fairchem Speciality Limited ("FSL")**, was incorporated as Public Limited Company under the Companies Act, 1956 as H. K. Agro Oil Limited on May 25, 1985 by the Registrar of Companies, Ahmedabad, Gujarat vide Certificate of Incorporation No. 7845 of 1985 and having PAN AAACH5113Q. The name of the Company was then changed to H. K. Agrochem Limited w.e.f. July 15, 1994. The name of the company was again changed to H. K. Finechem Limited w.e.f. December 15, 2000. Subsequently, the name of the Applicant Company was changed to Adi Finechem Limited w.e.f. October 19, 2010. Finally, the name of the Applicant Company was changed to its present name viz. Fairchem Speciality Limited (Formerly, Adi Finechem Limited) w.e.f. October 6, 2016. The Company has also shifted its registered office from Gujarat to Maharashtra, by an order dated October 15, 2016 issued by Regional Director of Ahmedabad, and accordingly the Company has been allotted new CIN L15140MH1985PLC286828. The email address of the company is [cs@fairchem.in](mailto:cs@fairchem.in).

7.2. The share capital of Fairchem Speciality Limited as on March 31, 2016 is as under:

Particulars	Amount (Rs.)
<b>Authorised</b>	
50,000 Preference Shares of Rs. 100 each	5,000,000
14,500,000 Equity Shares of Rs.10 each	145,000,000
<b>Total</b>	<b>150,000,000</b>
<b>Issued, Subscribed and Paid Up</b>	
13,794,000 Equity Shares of Rs. 10 each fully paid up	137,940,000
<b>Total</b>	<b>137,940,000</b>

As on date, there has been no change in the authorized, issued, subscribed and paid up share capital of FSL.

7.3. The FSL is a publicly listed company engaged in the business of manufacturing, selling and exporting oleochemicals and nutraceuticals in India. The equity shares of the Company are listed and traded on the BSE Limited and the National Stock Exchange of India Ltd. The equity shares of FSL are listed but are not currently traded on the Ahmedabad Stock Exchange Limited.

7.4. Details of Directors and promoters of FSL along with their addresses:-

Sr No	Name of Director/Promoter	Category	Address
1	Mr. Utkarsh Shah	Director and Promoter	10, Heritage Residency, Thaltej Shilaj Road, Thaltej, Ahmedabad - 380 059.
2	Mr. Nahoosh Jariwala	Managing Director and Promoter	"Jariwala" Bungalow, Rangoli - Rajpath Club Road, Off S.G. Road, Ahmedabad - 380 059.
3	Mr. Harsha Raghavan	Nominee	Flat No. 2, 1 <sup>st</sup> Floor, Shree Sadan, M. L. Dhanukar Marg, MUMBAI - 400 026.
4	Mr. Sumit Maheshwari	Nominee	Plot No. 8, Road No. 6, Sector No. 19, New Panvel, Navi Mumbai - 410 206.
5	Mr. Bimal Parikh	Director and Promoter	9, Heritage Residency, Thaltej, Shilaj Road, Ahmedabad - 380 059.
6	Mr. Hemant Shah	Director and Promoter	'Navprakash', Opp. Dharmayug Flats, Gulbai Tekra, Ambawadi, Ahmedabad- 380 006.
7	Mr. Jayesh Shah	Independent Director	26, Amaltas Bungalows, Vastrapur, Ahmedabad - 380 015.
8	Mr. Kalpesh Patel	Independent Director	'Radheshyam', B/h Karnavati Club, Gandhinagar Sarkhej Highway, Ahmedabad - 380 054.
9	Mr. Nitin Patel	Independent Director	12, Heritage Residency, Thaltej, Ahmedabad, 380 059.
10	Mr. Ganpatraj Chowdhary	Independent Director	Rajul Villa, Riddhi Siddhi, Opp. Abhishree Corporate Park, Ambali, Ahmedabad - 380 058.
11	Mr. Bhavin Shah	Independent Director	12, Rudravatika, Gotila AUDA Garden Lane, Opp. New PRL, Sindhu Bhavan Road, Thaltej, Ahmedabad - 380 059.
12	Mrs. Sonal Ambani	Independent Director	Vimal House, Navrangpura, Ahmedabad - 380 009.



## FAIRCHEM SPECIALITY LIMITED

7.5. The amount due to unsecured creditors as on 31 August 2016 is Rs. 91,619,331

7.6. The main objects of the FSL as set out in Clause III [A] of its Memorandum of Association are as follows:

- To extract oil from rice bran, brans, Cotton seeds, Linseeds, Caster seeds, Rape Seeds, Mustard Seeds, Mahuda Seeds, Neem Seeds and ground nuts and other nuts, seeds and substances.
- To manufacture refine, process and deal in rice bran, rice bran-oil deoiled rice bran, oil seeds, oils and oil products and by products of extraction.
- To carry on business as seed Crushers and manufacturers of oil cakes and as oil Extractors by crushing Chemical or other processes.

7.7. **Adi Aromatic Limited**, a company incorporated under Companies Act, 2013 as Public Limited Company on 8<sup>th</sup> July, 2016. The registered office of AAL is situated at 8, Corporate Park, Sion-Trombay Road Behind Swastik Park, Chembur, Mumbai. 400 071 and having PAN AAOCA5466H. The email address of AAL is rajen.jhaveri@fairchem.in.

7.8. The Share Capital of AAL as on July 19, 2016 is as under:

Particulars	Amount (Rs.)
<b>Authorised</b>	
10,000 Equity Shares of Rs. 10/- each	100,000
<b>Total</b>	<b>100,000</b>
<b>Issued, Subscribed and Paid Up</b>	
10,000 Equity Shares of Rs.10/- each	100,000
<b>Total</b>	<b>100,000</b>

**Note:-** AAL is a wholly owned subsidiary Company of Fairchem Speciality Limited.

7.9. AAL is proposed to be engaged in the business of manufacturing, importing, exporting, trading and supplying of all kinds, types and varieties of chemicals. AAL is an unlisted public company and is a wholly owned subsidiary of FSL.

7.10. Details of Directors and promoters of AAL along with their addresses:-

Sr. No.	Name	Designation	Address
1	Mr. Utkarsh Bhikhoobhai Shah	Director	10, Heritage Residency, Thaltej Shilaj Road, Thaltej, Ahmedabad-380 059. Gujarat.
2	Mr. Nahoosh Jayvadan Jariwala	Director	'Jariwala Bunglows', B/H, Shashwat Bunglows, Rajpath Club, Rangoli Road, Bodakdev, Ahmedabad-380 059. Gujarat.
3	Mr. Rajen Niranjnabhai Jhaveri	Director	A-32, Saiyam Appt., Behind Nehrunagar, Ambawadi, Ahmedabad-380 015. Gujarat.

7.11. The amount due to unsecured creditors as on 31 August 2016 is Rs. 46,304.

7.12. The Main Objects of AAL as set out in Clause III [A] of the Memorandum of Association are as follows:

To carry on business as manufacturers, producers, processors, convertors, importers, exporters, traders, buyers, sellers, suppliers, packers, movers, stockists, agents, distributors, jobbers, brokers of all kinds, types and varieties of chemicals, dyestuff, intermediates, stuffs, auxiliaries, colors, dyes, paints, varnishes, biochemicals and Nutraceuticals, medicinal, bleaching, photographic and other preparations and such other related products.

7.13. **Privi Organics Limited**, a company incorporated under the Companies Act, 1956 as Public Limited Company on 5<sup>th</sup> April, 1982 and having PAN is AAACP4717A. The email address of POL is rameshk@privi.co.in.

7.14. The registered office of POL is situated at Privi House' A-71 TTC, Thane Belapur Road, Near KoparKhairane Railway Station, Navi Mumbai 400709.

7.15. The Capital Structure of POL as on 31<sup>st</sup> March, 2016 is as under:

Particulars	Amount (Rs.)
<b>Authorised</b>	
40,000,000 Equity Shares of Rs. 10 each	400,000,000
<b>Total</b>	<b>400,000,000</b>
<b>Issued Subscribed and Paid Up</b>	
14,845,001 Equity Shares of Rs. 10 each fully paid-up	148,450,010
<b>Total</b>	<b>148,450,010</b>

As on date of the Scheme being approved by the Board of Directors of POL., the Board of Directors of POL has agreed to issue 3,872,567 equity shares of Rs. 10/- each of POL. Upon such further issuance of equity shares, the proposed share capital of POL is as under:



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Particulars	Amount (Rs.)
<b>Authorised</b>	
40,000,000 Equity Shares of Rs. 10 each	400,000,000
<b>Total</b>	<b>400,000,000</b>
<b>Issued Subscribed and Paid Up</b>	
18,717,568 Equity Shares of Rs. 10 each fully paid-up	187,175,680
<b>Total</b>	<b>187,175,680</b>

7.16. POL is a public unlisted company engaged in the following businesses: (i) identifying, developing, manufacturing, supplying and exporting of organic chemical (primarily aroma chemical) and processing of crude sulphated turpentine to obtain raw materials mainly used for manufacturing of aroma chemicals; (ii) research and development in relation to the activities referred to in (i); and (iii) trading in organic chemicals as referred to in (i) above. POL is also engaged in certain inorganic chemicals.

7.17. Details of Directors and promoters of POL along with their addresses:-

Sr. No.	Name	Category	Address
1.	Mr. Satan S Bharwani	Chairman and Independent Director	34, Amar Jiwan Society, St. Martin Road, Bandra (W), Mumbai - 400 050.
2.	Mr. Mahesh P. Babani	Managing Director and Promoter	Satguru House, Sherly Rajan Road, Bandra (West), Mumbai - 400 050.
3.	Mr. D. B. Rao	Executive Director and Promoter	903, Daffodils, Satguru Gardens, Thane (East), Mumbai - 400 603.
4.	Mr. Rajesh Budhrani	Director and Non Promoter Shareholder	1605, Penensula Plaza, 16 <sup>th</sup> floor, 111 North Bridge Road, Singapore - 0617.
5.	Mr. Anurag Surana	Independent Director	222-D, Block-H, Pushpa Bhawan, Sainik Farms, New Delhi - 110 062.
6.	Mr. D.T. Khilnani	Independent Director	6/21, Borla Soct, Dr. C. G. Rd., Chembur, Mumbai- 400 074.
7.	Mr. P.R. Barpande	Independent Director	Saubhagya Society, Block 51, 5th Floor, A - Wing, Jeevan Vikas Kendra Marg, Andheri (East) Mumbai - 400 069.
8.	Mrs. Anuradha Thakur	Independent Director	B-7, 3rd Floor, SBI Officers' Bageshree Co-op. Hsg. Society, Shankar Ghanekar Mrg, Prabhadevi, Mumbai - 400 025.
9.	Mr. Harsha Raghavan	Nominee Director	Flat No. 2, 1st Floor, Shree Sadan, M. L. Dhanukar Marg, Mumbai - 400 026.
10.	Mr. Nahoosh Jariwala	Nominee Director	'Jariwala Bunglow', Rangoli - Rajpath Club Road, Off S.G. Road, Ahmedabad - 380 059.

7.18. The amount due to unsecured creditors as on 31 August 2016 is Rs. 1,748,449,083.

7.19. The main objects of POL as set out in Clause IIIA of the Memorandum of Association are as follows:

- To manufacture, buy, sell and otherwise deal in Organic Chemicals, Silicas, Inorganic Chemicals and their intermediaries.
  - To produce, extract, store, buy, sell, import and export organic chemicals, inorganic chemicals, silicas, silicates, phosphates and their intermediaries or obtain from or through any organic or inorganic chemicals.
  - To carry on the business of the chemical manufacturers, analytical chemists, importers, exporters and manufacturers and dealers in heavy chemicals, drugs, essences, cordials, acids, alkali, dyes and dye intermediaries, mineral and other waters, oil, paints, pigments and varnishes, drugs, paint and colours grinders, makers of and dealers in proprietary articles.
- 3(a) To carry out (whether as principal or agent) all or any of the businesses of manufacturing, blending, mixing, preparing, supplying, developing, refining, storing, distributing, marketing, importing, exporting, buying, selling, dealing in (whether by wholesale or retail) and research and development in the applications of biotechnological processes to all products (whether of animal, vegetable, mineral or micro-organism origin) including but not limited to materials, flavours, fragrances, essences, oils, preservatives, substances and ingredients for food, cosmetics, pharmaceutical, medicinal or chemical products and to establish, acquire, maintain laboratories, pilot plants, manufacturing facilities and carry on research, development, experiment, production, manufacture, transport, analytical testing and other works relating to the biotechnological and allied products.



## 8. Rationale of the Scheme

- FSL, formerly, Adi Finechem Limited(AFL), is involved in the business of manufacturing, supplying and exporting of specialityoleochemicals(natural source) made from the by-products generated from processing of crude vegetable oils, and nutraceuticals in India. FSL has developed technical expertise in processing byproducts or waste products of vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils. Oleochemicals and nutraceuticals are versatile products, utilized in multiple industries, such as human wellness, personal care, soaps, detergents, lubricants, plastics, rubbers, coatings, and paper. Growing demand for biodegradable and sustainable products, on account of reducing reliance on petrochemicals is expected to remain a key driving factor for the global oleochemicals market, in addition to the increasing demand for end-products formulated from oleochemicals. The proposed Scheme will result in the addition of the Aroma Chemicals Business (as defined in Clause 1.5 of the Scheme) into FSL and will also bring in necessary research and development capability to identify, develop and produce new oleochemicals from the existing products of FSL. Further, the proposed Scheme will help FSL in expanding and diversifying its input base and developing manufacturing routes which are based on green novel processing techniques. Additionally, the global customer access of POL and its global logistics infrastructure to source low-cost waste will enable FSL in expanding and consolidating the business presence of FSL in the chemical industry in India and overseas.
- Each of the businesses have tremendous potential for growth and profitability and will require focussed leadership and management attention. The nature of risk and competition involved in the businesses carried out by each of the companies is distinct and the businesses carried on by each of the companies are capable of attracting a different set of investors and strategic partners, lenders and other stakeholders. Accordingly, FSL proposes to add the Aroma Chemicals Business of POL in AAL, a wholly owned subsidiary of FSL, so as to maximize value for all the stakeholders of POL and FSL.
- The management proposes to achieve the above pursuant to this Scheme under Sections 391 to 394, read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 (to the extent notified), in the manner set out herein.
- The proposed Scheme will explicitly result in the following advantages:
  - Provide wider research and development access;
  - Wider range of applications and scope for growth;
  - Long term value unlocking of businesses inter alia due to global reach;
  - Stability and enhancement in earnings and cash flow;
  - Operational effectiveness and cost optimization;
  - Mitigation of risk due to presence of two diverse businesses; and
  - Stronger balance sheet resulting in: (i) improved allocation of capital; and (ii) broader access to capital markets.

## 9. Relationship subsisting between FSL, AAL and POL

9.1 AAL is a 100% subsidiary of FSL.

9.2 FSL and POL have per-se no relationship between themselves except that one of the promoters of FSL ie FIH Mauritius Investments Ltd had recently acquired a majority stake in POL and now for the reasons outlined above, the management of FSL wishes to add the Aroma Chemicals Business of POL in AAL so as to maximise value for all stake holders of POL and FSL.

10. The material provisions of the proposed Scheme are detailed hereunder (The following points are reproduced as per the Scheme and are numbered according to the Scheme):

### PART A

#### DEFINITIONS AND SHARE CAPITAL

1.3. "Appointed Date" means August 1, 2016 or such other date as may be approved by the High Court(s).

1.6. "Effective Date" means the date on which the certified or authenticated copies of the orders sanctioning the Scheme, passed by the High Court(s) is filed with the relevant Registrar of Companies. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.

### PART B

#### TRANSFER OF DEMERGED UNDERTAKING FROM POL TO AAL

## 4. TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM POL TO AAL

4.1 With effect from the Appointed Date and upon this Scheme coming into effect, the Demerged Undertaking (including all accretions and appurtenances) shall, without any further act, instrument or deed, be and stand de-merged from POL and



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transferred to and vested in or be deemed to be transferred to and vested in AAL as a going concern, so as to vest in AAL, all the rights, titles and interests pertaining to Demerged Undertaking, pursuant to Sections 391 to 394 of the Act and any other relevant provisions of the Act (as may be applicable), Section 2(19AA) of the Income-tax Act, 1961 and the order of the High Court(s) sanctioning the Scheme, subject however, to subsisting charges pertaining to the Demerged Undertaking, if any.

- 4.2 Without prejudice to the provisions of Clause 4.1 above, in respect of such of the assets and properties (tangible or intangible) of the Demerged Undertaking, including cash in hand, as are movable in nature or otherwise capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, and shall upon such delivery or endorsement and delivery, become the assets and properties of AAL, without requiring any deed or instrument or conveyance for the same.
- 4.3 In respect of movable assets of the Demerged Undertaking other than those specified in Clause 4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the following methodology shall, to the extent possible, be followed:
- AAL shall give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the High Court(s) having sanctioned this Scheme, the said debt, loan, advance or deposit be paid to or made good to or held on account of AAL and that the right of POL to recover or realize the same stands extinguished and deemed to be transferred to AAL.
- 4.4 Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property of POL forming part of the Demerged Undertaking and/or used by POL in connection with the Demerged Undertaking and any document of title, rights, interest and easements in relation thereto (including but not limited to the list of the immovable properties as set out in **Annexure 1** herein), shall stand transferred to and be vested in AAL, as a successor of POL in relation to the Demerged Undertaking, without any act or deed to be done or executed by POL and/ or AAL. AAL shall be entitled to exercise all rights and privileges and be liable to pay appropriate rent, rates, taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the title to the immovable properties shall be made and duly recorded in the name of AAL by the appropriate governmental authorities and third parties pursuant to the sanction of the Scheme by the High Court(s) and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed to be done or executed by POL and/ or AAL. It is clarified that AAL shall be entitled to engage in such correspondence and make such representations as may be necessary for the purposes of the aforesaid mutation and/or substitution.
- 4.5 Upon this Scheme coming into effect, and with effect from the Appointed Date, and subject to the provisions of this Scheme, all debts, liabilities, contingent liabilities, taxes, duties and obligations of every kind, nature and description of POL pertaining or relating to the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred from POL and transferred to and vested in or be deemed to be transferred to and vested in and assumed by AAL so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, taxes, duties and obligations of AAL, pursuant to Sections 391 to 394 of the Act and any other relevant provisions of the Act and the order of the High Court(s) sanctioning the Scheme, and 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, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.6 With effect from the Appointed Date and upon this Scheme coming into effect, all permits, no objection certificates, contracts, deeds, agreements and other instruments, permissions, approvals, consents, rights, entitlements, licenses, including those relating to tenancies, copyrights, intellectual property rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to Demerged Undertaking of which POL is a party or to the benefit of which POL may be eligible and which are subsisting or having effect on the Effective Date, shall stand transferred to and vested in AAL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of AAL upon the vesting and transfer of Demerged Undertaking in AAL pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of AAL, and may be enforced by AAL as fully and effectually as if, instead of POL, AAL had been the original party or beneficiary or obligee thereto, and AAL shall be bound by the terms thereof.
- 4.7 The transfer and vesting of the Demerged Undertaking, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over the assets or any part thereof which are subsisting on transfer of such assets to AAL and relating to the liabilities of the Demerged Undertaking which are also transferred to AAL. In so far as assets comprised in the Demerged Undertaking are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings of POL shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to those liabilities of POL which are not transferred to AAL.
- 4.8 In so far as the assets of the Remaining Business are concerned, the security over such assets, if any, to the extent they relate to the liabilities of the Demerged Undertaking shall, without any further act, instrument or deed be released and



discharged from such security. The absence of any formal amendment which may be required by a lender or third party in order to effect such release shall not affect the operation of the foregoing sentence. Without prejudice to the foregoing and with effect from the Effective Date, POL and AAL shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies to give formal effect to the above provisions, if required.

- 4.9 It is clarified that all assets, estate, rights, title, interest and authorities acquired by POL or any liabilities accrued to POL after the Appointed Date and prior to the Effective Date for operation of or in connection with the Demerged Undertaking shall also stand transferred to and vested in AAL with effect from the Effective Date.
- 4.10 Where any of the liabilities mentioned in sub-clauses 1.6 have been discharged by POL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of AAL.
- 4.11 All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of POL and pertaining to the Demerged Undertaking after the Effective Date, shall be accepted by the bankers of AAL and credited to the accounts of AAL, if presented by AAL.
- 4.12 This part of the Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme to stand modified to the extent necessary to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification shall not affect other parts of the Scheme.

### 5 CONSIDERATION

- 5.1 Upon this Scheme becoming effective and as consideration for the Scheme, FSL shall, without any act, application, payment or deed, issue and allot equity shares and compulsorily convertible preference shares, credited as fully paid up, to the extent indicated below, to the equity shareholders of POL whose names appear in the register of members of POL and whose names appear as the owners of the equity shares of POL in the records of POL on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of FSL / POL in consideration for the transfer of the Demerged Undertaking in the following proportion viz.:
- "27 (twenty seven) equity shares of FSL of Rs. 10 each fully paid up for every 40 (forty) equity shares of POL of Rs. 10/- each fully paid up"; and
- "27 (twenty seven) compulsorily convertible preference shares of FSL of Rs. 10 each fully paid up for every 40 (forty) equity shares of POL of Rs. 10/- each fully paid up".
- 5.2 The equity shares of FSL to be issued and allotted as above shall be subject to the memorandum and articles of association of FSL in the same manner as the existing equity shares and shall rank paripassu with the existing equity shares of FSL in all respects including dividends. The compulsorily convertible preference shares of FSL to be issued and allotted as above shall be subject to the memorandum and articles of association of FSL in the same manner as the existing compulsorily convertible preference shares and shall be subject to the terms set out in Annexure 2 hereto.
- 5.3 The equity shares and compulsorily convertible preference shares of FSL shall be issued and allotted in dematerialized form to those equity shareholders who hold shares of POL in dematerialized form, and in to the demat account in which POL shares are held or such other account as is intimated by the equity shareholders to POL and / or its registrar. All those equity shareholders who hold equity shares of POL in physical form shall also have the option to receive the equity shares and compulsorily convertible preference shares, as the case may be, in dematerialized form provided the details of their account with the depository participant are intimated in writing to POL and / or its registrar. In the event that FSL has received notice from any person that equity shares and/or compulsorily convertible preference shares are to be issued in physical form or if any person has not provided the requisite details relating to his/her /its account with a depository participant or other confirmations as may be required or if the details furnished by any person do not permit electronic credit of the equity shares and/or the compulsorily convertible preference shares, then FSL shall issue equity shares and/or compulsorily convertible preference shares in physical form to such person or persons.
- 5.4 The Board of Directors of FSL shall, if and to the extent required, apply for and obtain any approvals from concerned government / regulatory authorities for the issue and allotment of equity shares and compulsorily convertible preference shares pursuant to Clause 5.1 above of the Scheme.
- 5.5 Equity shares of FSL to be issued and allotted to the equity shareholders of POL pursuant to Clause 5.1 above of the Scheme will be listed and/or admitted to trading on the BSE Limited and the National Stock Exchange of India Limited, where the equity shares of FSL are listed and/or admitted to trading in accordance with the applicable laws including without limitation the SEBI Circular. FSL 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 complying with the formalities of the said stock exchanges.
- 5.6 In the event of there being any pending share transfers with respect to the application lodged for transfer by any equity shareholder of POL, the Board of Directors or any committee thereof of POL, or failing which the Board of Directors or



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any committee thereof of FSL, shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in POL as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in POL and in relation to the equity shares and compulsorily convertible preference shares of FSL after the Scheme becomes effective.

- 5.7 Equity shares and compulsorily convertible preference shares to be issued and allotted by FSL to the equity shareholders of POL pursuant to Clause 5.1 above of this Scheme, in respect of any equity shares in POL which are held in abeyance under the provisions of Section 206A or any corresponding provisions of the Act or otherwise, pending allotment or settlement of dispute, by order of court or otherwise, be held in abeyance by FSL.
- 5.8 If any equity shares of POL held by the equity shareholders of POL as on the Record Date are under any statutory lock-in, the equity shares issued and allotted by FSL to such equity shareholders shall also be locked-in for the remainder of the lock-in period as per applicable laws.
- 5.9 Approval of this Scheme by the shareholders of FSL shall be deemed to be due compliance of the provisions of Sections 42, 55, 62 and the other relevant provisions of the Companies Act, 2013 and all applicable laws for the issue and allotment of equity shares and compulsorily convertible preference shares by FSL, as provided in this Scheme.
- 5.10 The approval of this Scheme by the shareholders of FSL, AAL and POL respectively, under Sections 391 and 394 of the Act or any corresponding provisions of the Act shall be deemed to have the approval under Sections 13, 14 and other applicable provisions of the Act and all applicable laws.
- 5.11 Fractional entitlements, if any, by FSL, to the equity shareholders of POL at the time of issue and allotment of equity shares and compulsorily convertible preference shares under Clause 5.1 above shall be consolidated.
- 5.12 Upon such consolidation, the Board of Directors of FSL shall allot equity shares and compulsorily convertible preference shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of FSL shall appoint in this behalf, who shall hold the equity shares and compulsorily convertible preference shares issued in FSL, in trust on behalf of the shareholders entitled to fractional entitlements with the express understanding that the Director or other authorized representative(s) shall sell the same in the market at such time or times (in case of compulsorily convertible preference shares, not until conversion in terms of Annexure 2) and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to FSL, the net sale proceeds thereof, whereupon FSL shall distribute such net sale proceeds (after deduction of applicable taxes), to the shareholders in proportion to their respective fractional entitlements. Any fractional entitlements arising post such consolidation, if any, shall be ignored.

## 6 ACCOUNTING TREATMENT

### **In the books of AAL**

- 6.1 Upon coming into effect of this Scheme, AAL, shall record the assets and liabilities, pertaining to the Demerged undertaking, transferred to and vested in it pursuant to this Scheme, at the same values as appearing in the books of POL on the opening of business on the Appointed Date.
- 6.2 The deficit, if any, of value of assets over the value of liabilities pertaining to the Demerged Undertaking shall be recorded as the goodwill and the excess will be treated as general reserve by AAL.
- 6.3 If considered appropriate for the purpose of application of uniform accounting methods and policies between POL and AAL, AAL may make suitable adjustments to record the assets and liabilities of the Demerged Undertaking in its books and the deficit, if any, shall be debited to the profit and loss account and the excess, if any, shall be treated as capital reserve by AAL.

### **In the books of FSL**

- 6.4 FSL shall credit its share capital account with the aggregate face value of equity shares and compulsorily convertible preference shares issued pursuant to Clause 5.1 of this Scheme and corresponding debit shall be made to the general reserve and/or balance in the profit and loss account appearing in the balance sheet of FSL.

### **In the books of POL**

- 6.5 The book values of the assets and liabilities pertaining to Demerged Undertaking transferred by POL to AAL, shall be reduced from the book values of the assets and liabilities appearing in the books of POL.
- 6.6 The difference being the excess of the book value of assets transferred over the book value of liabilities transferred shall be first adjusted against the securities premium account of POL and the balance shall be then adjusted against the general reserve account, and then to the capital subsidy and special capital incentives. The remaining balance, if any, after the aforesaid adjustments shall be debited to the profit and loss account of POL.
- 6.7 The application and utilization of the securities premium account of POL, as mentioned above shall be effected as an integral part of this Scheme without having to follow the process under Section 52 of the Companies Act, 2013, read with Sections 100 to 103 of the Act separately and the order of the High Court(s) sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act confirming the reduction and sufficient compliance of the provisions of Sections 100 to 103 of the Companies Act, 1956, Rule 85 of the Companies (Court) Rules, 1959, and other applicable



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provisions including any modifications or reenactment thereof for the time being in force, relating to the reduction of share capital. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the Act will not be applicable. Further, POL shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

### **7 CHANGE OF NAME**

Upon the Scheme becoming effective, with effect from the Effective Date, the name of AAL may be changed to 'Privi Organics (I) Limited' or such other name as may be approved by the Registrar of Companies, subject to AAL filing all necessary forms and applications with the Registrar of Companies in this regard. Approval of the shareholders of FSL, POL and AAL to the Scheme shall be considered as the approval required under the applicable provisions of the Act for such change of name.

### **8 CONDUCT OF BUSINESS**

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

8.1.1 POL shall, in respect of the Demerged Undertaking, be deemed to have been carrying on and shall carry on its business and activities and shall hold and stand possessed of and hold all its properties and assets in relation to the Demerged Undertaking for and on account of and in trust for AAL. POL hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

8.1.2 All the profits or income accruing or arising to POL in respect of the Demerged Undertaking, or expenditure or losses arising to or incurred by POL in respect of the Demerged Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of AAL.

8.1.3 POL shall carry on the business and activities with reasonable diligence and prudence and shall not without the prior written consent of the Board of Directors of FSL and AAL respectively, alienate, charge, mortgage, encumber or otherwise deal with or dispose-off, the Demerged Undertaking, except in the ordinary course of business. POL shall not, without the prior written consent of FSL and AAL respectively, undertake any new businesses within the Demerged Undertaking except in the ordinary course of its business.

8.1.4 Where any of the liabilities and obligations attributed to the Demerged Undertaking, has been discharged by POL, on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of AAL.

8.1.5 All loans raised and liabilities incurred by POL after the Appointed Date but before the Effective Date for operations of the Demerged Undertaking shall be discharged by AAL respectively on or after the Effective Date.

8.1.6 POL shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation, without the prior written consent of the Board of Directors of FSL and AAL respectively.

8.1.7 AAL shall be entitled, pending the sanction of the Scheme by the High Court(s), to apply to the central/state government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which AAL may require to own and carry on the business of the Demerged Undertaking.

8.2 On the Scheme becoming effective, FSL shall be controlled and managed in the manner set out in its articles of association, including without limitation in relation to the business practices, corporate governance and the key matters (as may be set out in its articles of association).

### **9 EMPLOYEES**

9.1 On the Scheme becoming effective, all the employees of POL engaged in or in relation to the Demerged Undertaking shall become the employees of AAL, without any break or interruption in their services, on same (but in any case no less favourable) terms and conditions on which they are engaged as on the Effective Date. AAL further agrees that for the purpose of provident fund or superannuation or payment of any other retirement or termination benefit / compensation, or other statutory purposes, the services of such employees will be reckoned from the date of their respective appointments with the Demerged Undertaking of POL. AAL undertakes to continue to abide by the terms of agreement / settlement entered into by POL, with employees' union / employee or associations of the Demerged Undertaking. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking shall be decided by the Board of Directors of POL.

9.2 The accumulated funds standing to the credit of the employees whose services are transferred under Clause 9.1 above, relating to superannuation, provident fund and gratuity fund or any other statutory or special fund or trusts created or existing for the benefit of the employees of POL engaged in or in relation to the Demerged Undertaking shall be identified, determined and transferred to such provident fund, superannuation fund and other funds nominated by the trusts / funds of AAL other funds to be established and caused to be recognized by the concerned authorities by AAL, and such employees shall be deemed to have become members of such trusts / funds of AAL on the same terms and conditions as applicable to the Funds of POL in relation to the said employees. On and from the Effective Date, with effect from the Appointed Date, and subject to getting the Scheme approved by the relevant authorities, AAL shall make the necessary





## FAIRCHEM SPECIALITY LIMITED

contributions for such employees in relation to the funds. It is clarified that the services of the employees of POL engaged in or in relation to the Demerged Undertaking of POL shall be treated as having been continuous without any break, discontinuance or interruption for the purpose of the said funds.

9.3 It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking in relation to such funds shall become those of AAL.

### 10 LEGAL PROCEEDINGS

10.1 All legal proceedings relating to the Demerged Undertaking of whatsoever nature by or against POL pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against AAL, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against POL. It is hereby expressly clarified that any legal proceedings by or against POL in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of POL and pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, AAL after the coming into effect of the Scheme.

10.2 After the Appointed Date, if any proceedings are taken against POL in respect to the matter referred in the preceding clause, they shall prosecute and defend the same, as the case may be, at the cost of AAL, and AAL shall reimburse and indemnify POL against all liabilities and obligations incurred by AAL in respect thereof.

10.3 All legal or other proceedings initiated by or against the Demerged Undertaking referred in Clause 10.1 and Clause 10.2 above shall stand transferred to the name of AAL and the same shall be continued, prosecuted, defended and enforced as the case may be by or against AAL, to the exclusion of POL.

10.4 FSL shall ensure defense of any legal proceedings initiated against AAL in relation to the implementation of the Scheme.

### 11 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

11.1 Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements (including shareholders agreements and investor agreements) and other instruments (including all tenancies, leases, and other assurances in favour of POL or powers or authorities granted by or to it), if any, of whatsoever nature pertaining to the Demerged Undertaking, to which POL is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of AAL, as the case may be, and may be enforced by or against AAL as fully and effectually as if, instead of POL, AAL had been a party or beneficiary or obligee thereto and shall be binding on AAL.

11.2 AAL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which POL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. AAL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of POL and to implement or carry out all formalities required on the part of POL to give effect to the provisions of this Scheme.

### 12 SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities as envisaged in this Scheme and the continuance of proceedings by or against POL in relation to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by POL on or after the Appointed Date till the Effective Date, to the end and intent that AAL accepts and adopts all acts, deeds and things done and executed by POL in respect thereto as done and executed on behalf of AAL.

## PART C

### GENERAL TERMS & CONDITIONS

#### 16 CONDITIONALITY OF THE SCHEME

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

16.1.1 The Scheme being approved by the requisite majorities in number and value of the various classes of shareholders and/or creditors (where applicable) of AAL, FSL and POL as may be directed by the High Court(s).

16.1.2 The Scheme being approved by the "public" shareholders of FSL through postal ballot/e-voting with the votes cast by "public" shareholders in favour of the Scheme being more than the votes cast against it, as required under the SEBI Circular. For the purposes of this sub-clause, the term 'public' shall have the meaning ascribed to such term under Rule 2 of Securities Contracts (Regulation) Rules, 1957.

16.1.3 Receipt of pre-filing and post sanction approvals of the relevant Stock Exchanges where the equity shares FSL are listed and traded and SEBI in terms of the SEBI Circular, as applicable.

16.1.4 The Scheme being sanctioned by the High Court(s) under Sections 391 to 394 and other applicable provisions of the Act.

16.1.5 Authenticated/ certified copies of the orders of the High Court(s) sanctioning the Scheme being filed with the relevant Registrar of Companies by POL, FSL and AAL respectively.



## FAIRCHEM SPECIALITY LIMITED

16.1.6 The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

**The features set out above being only the extract of the Scheme; the shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**

11. The directors holding the shares in FSL do not have any other interest in the Scheme otherwise than that as shareholders in general. Further, none of the managers, key managerial personnel and relatives of the directors of FSL is concerned or interested, financial or otherwise, in the proposed Scheme. Save as aforesaid, none of the Directors of FSL have any material interest in the proposed Scheme. The shareholding of the present directors of FSL, POL and AAL, either individually or jointly as a first holder or as a nominee, in FSL, POL and AAL is as under:

Sr. No.	Name of the Directors of FSL	No. of Equity Shares held in		
		FSL	POL	AAL
1.	Mr. Utkarsh Shah	550,000	NIL	*NIL
2.	Mr. Nahoosh Jariwala	NIL	NIL	NIL
3.	Mr. Harsha Raghavan	NIL	NIL	NIL
4.	Mr. Sumit Maheshwari	NIL	NIL	NIL
5.	Mr. Bimal Parikh	358,536	NIL	NIL
6.	Mr. Hemant Shah	405,000	NIL	NIL
7.	Mr. Jayesh Shah	NIL	NIL	NIL
8.	Mr. Kalpesh Patel	NIL	NIL	NIL
9.	Mr. Nitin R. Patel	NIL	NIL	NIL
10.	Mr. Ganpatraj Chowdhary	NIL	NIL	NIL
11.	Mr. Bhavin Shah	1,000	NIL	NIL
12.	Mrs. Sonal Ambani	NIL	NIL	NIL

\* Holds one equity share of Rs. 10/- in AAL as 'Nominee' of Fairchem Speciality Ltd.

Sr. No.	Name of the Directors of POL	No. of Equity Shares held in		
		FSL	POL	AAL
1.	Mr. Satan S Bharwani	NIL	NIL	NIL
2.	Mr. Mahesh P. Babani	NIL	37,15,881	NIL
3.	Mr. D. B. Rao	NIL	5,35,616	NIL
4.	Mr. Rajesh Budhrani	NIL	5,50,000	NIL
5.	Mr. Anurag Surana	NIL	NIL	NIL
6.	Mr. D. T. Khilnani	NIL	NIL	NIL
7.	Mr. P.R. Barpande	NIL	NIL	NIL
8.	Mrs. Anuradha Thakur	NIL	NIL	NIL
9.	Mr. Harsha Raghavan	NIL	NIL	NIL
10.	Mr. Nahoosh J Jariwala	NIL	NIL	NIL

Sr. No.	Name of the Directors of AAL	No. of Equity Shares held in		
		FSL	POL	AAL
1.	Mr. Utkarsh Shah	550,000	NIL	*NIL
2.	Mr. Nahoosh Jariwala	NIL	NIL	NIL
3.	Mr. Rajen Jhaveri	5,808	NIL	*NIL

\* Holds one equity share of Rs. 10/- in AAL as 'Nominee' of Fairchem Speciality Ltd.

### 12. Valuation Report, Fairness Opinion and Approvals:

- 12.1 M/s. Walker Chandio & Co. Chartered Accountants have undertaken the valuation of POL, AAL and FSL and have recommended the fair share exchange ratio vide their valuation report dated 12th July, 2016. The fair share exchange ratio of equity shares of FSL and Demerged Undertaking of POL has been arrived at on the basis of a relative valuation of FSL and Demerged Undertaking of POL based on the various methodologies explained in the Report and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of all the companies, having regard to information base, key underlying assumptions and limitations.

- 12.2 In view of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined in detail in the valuation report, the share entitlement ratio for the proposed Demerger is as under:

**"27 (twenty seven) equity shares of FSL of Rs. 10 each fully paid up for every 40 (forty) equity shares of POL of Rs. 10/- each fully paid up"; and**

**"27 (twenty seven) compulsorily convertible preference shares of FSL of Rs. 10 each fully paid up for every 40 (forty) equity shares of POL of Rs. 10/- each fully paid up".**



## FAIRCHEM SPECIALITY LIMITED

- 12.3 The Valuation Report is available for inspection at the Registered office and Corporate office of the Company.
- 12.4 In terms of the SEBI Circular, ICICI Securities Limited, a SEBI registered Merchant Banker, has submitted to FSL, a fairness opinion vide its letter dated 12th July, 2016 on the Scheme. The fairness opinion was based on various assumptions and considerations and should be read in its entirety for information regarding the assumptions made and factors considered in rendering such opinion.
- 12.5 The proposal for the Scheme was placed before the Audit Committee of the Company at its meeting held on 12th July, 2016. The Audit Committee of the Company took into account the recommendations on the share exchange ratio in the Valuation provided by M/s. Walker Chandio & Co., Chartered Accountants and the Fairness Opinion provided by ICICI Securities Limited. The Audit Committee recommended the proposed Scheme, including the share exchange ratio to the Board of Directors of the Company. Copy of the Fairness Opinion is enclosed as **Annexure E** to this explanatory statement.
- 12.6 The Board of Directors of the Company have taken into account the independent recommendations of the Audit Committee, the recommendations of the share exchange ratio provided in the valuation report dated July 12, 2016 provided by M/s. Walker Chandio & Co. Chartered Accountants and the fairness opinion dated July 12, 2016 provided by ICICI Securities Limited.
- 12.7 Based on the aforesaid advice/opinions, the Board of Directors of the Company have come to conclusion that the share exchange ratio is fair and reasonable and has approved the same at its meeting held on 12th July, 2016. Pursuant to the Scheme, the share exchange ratio for the Demerger is as under:  
**“27 (twenty seven) equity shares of FSL of Rs. 10 each fully paid up for every 40 (forty) equity shares of POL of Rs. 10/- each fully paid up”;** and  
**“27 (twenty seven) compulsorily convertible preference shares of FSL of Rs. 10 each fully paid up for every 40 (forty) equity shares of POL of Rs. 10/- each fully paid up”.**
- 12.8 Further, the Board of Directors of FSL have at its board meeting held on 12th July, 2016 by resolution, approved the proposed Scheme, as detailed below:

Name of Director	Voted in favor	Voted Against	Did not participate or vote
Mr. Utkarsh Shah	Yes	N.A.	N.A.
Mr. Nahoosh Jariwala	Yes	N.A.	N.A.
Mr. Harsha Raghavan	N.A.	N.A.	Absent
Mr. Sumit Maheshwari	Yes	N.A.	N.A.
Mr. Bimal Parikh	Yes	N.A.	N.A.
Mr. Hemant Shah	Yes	N.A.	N.A.
Mr. Jayesh Shah	Yes	N.A.	N.A.
Mr. Kalpesh Patel	N.A.	N.A.	Absent
Mr. Nitin R. Patel	Yes	N.A.	N.A.
Mr. Ganpatraj Chowdhary	N.A.	N.A.	Absent
Mr. Bhavin Shah	Yes	N.A.	N.A.
Mrs. Sonal Ambani	Yes	N.A.	N.A.

- 12.9 The Board of Directors of AAL have at its board meeting held on 12th July, 2016 by resolution, approved the proposed Scheme, as detailed below:

Name of Director	Voted in favor	Voted Against	Did not participate or vote
Mr. Utkarsh Shah	Yes	N.A.	N.A.
Mr. Nahoosh Jariwala	Yes	N.A.	N.A.
Mr. Rajen Jhaveri	Yes	N.A.	N.A.

- 12.10 Further, the Board of Directors of POL have at its board meeting held on 12th July, 2016 by resolution, approved the proposed Scheme, as detailed below:

Name of Director	Voted in favor	Voted Against	Did not participate or vote
Mr. Satan S Bharwani	Yes	N.A.	N.A.
Mr. Mahesh P. Babani	Yes	N.A.	N.A.
Mr. D. B. Rao	Yes	N.A.	N.A.
Mr. Anoop Babani	Yes	N.A.	N.A.
Mr. Rajesh Budhrani	Yes	N.A.	N.A.
Mr. Namit Arora	Yes	N.A.	N.A.
Mr. D. T. Khilnani	Yes	N.A.	N.A.
Mrs. Anuradha Thakur	Yes	N.A.	N.A.
Mr. Anurag Surana	N.A.	N.A.	Absent
Mr. P.R. Barpande	N.A.	N.A.	Absent



## FAIRCHEM SPECIALITY LIMITED

- 12.11 The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.
- 12.12 The Company has obtained the approval of the Scheme in terms of the SEBI Circular and the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 from BSE Limited and National Stock Exchange (NSE) vide their observation letters dated November 10, 2016 and November 11, 2016, respectively. The observation letters from BSE and NSE are closed as **Annexure B and C** respectively.
- 12.13 The Scheme along with related documents were hosted on the website of the Applicant company, BSE and NSE and was open for complaints/comments. The Applicant Company has not received any complaint/comment and accordingly a Nil Complaint report was filed with the BSE and NSE on 22 September 2016 and 30 September 2016 respectively. The said Complaints report are enclosed herewith as **Annexure D1 and D2**.
- 12.14 The Applicant Company will make a Petition under Section 394 or section 230, 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956/2013 to the Hon'ble High Court of Bombay and/or any other authority as may be applicable for sanctioning of the Scheme.
- 12.15 No investigation proceedings are pending under Section 210, 210, 213, 216, 217, 219, 220, 221, 222, of the Companies Act, 2013 and Section 247 (1A) and 243 of the Companies Act, 1956.
- 12.16 No winding up petition is pending against the Applicant Company.
13. In the event that this Scheme is terminated or withdrawn in the manner set out herein, this Scheme shall stand revoked, cancelled and be of no effect and null and void and in such event each party hereto shall bear and pay respective costs, charges and expenses for and or in connection with the Scheme.
14. An Equity Shareholder entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him, and such Proxy need not be a member of the Applicant Company. The instrument appointing the Proxy should however be deposited at the Registered Office or Corporate office of the Applicant Company not later than 48 (forty eight) hours prior to commencement of the meeting.
15. Corporate Members intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the Resolution of the Board of Directors or other governing body corporate not later than 48 (Forty eight) hours before commencement of the meeting, authorizing such person to attend and vote on its behalf at the meeting.
16. The following documents shall be available for obtaining extract from or for making or obtaining copies of or for inspection by the shareholders of the Company at the Registered Office and Corporate office of the Company between 11:00 a.m. and 1:00 p.m. up to 13<sup>th</sup> January, 2017 on all working days (except Saturdays, Sundays and public holidays):
- 16.1 Certified copy of the Order of the High Court of Bombay made on 09 December, 2016 passed in Company Application No. CSD/1024/2016 of 2016 directing convening of the meeting of Equity Shareholders of the Applicant Company which will be available for inspection.
- 16.2 Memorandum of Association and Article of Association of FSL, POL and AAL.
- 16.3 Audited Financial Statement of FSL and POL for last three financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 and Unaudited Financials of AAL for period from July 8, 2016 to August 31, 2016.
- 16.4 Copy of the Scheme of Arrangement between POL, AAL and FSL and their respective shareholders and creditors;
- 16.5 Observation letters received from BSE Limited and NSE Limited dated November 10, 2016 and November 11, 2016 respectively;
- 16.6 The Valuation Report dated 12th July, 2016 of M/s. Walker Chandiok & Co. Chartered Accountants;
- 16.7 The fairness Opinion of ICICI Securities Limited dated 12<sup>th</sup> July, 2016.
- 16.8 Copy of the Company application No. CSD/1024/2016 of 2016 and Affidavit in Support thereof.
- 16.9 Copies of the resolution passed by the respective Board of Directors of POL, AAL and FSL approving the Scheme.
- 16.10 Complaints report submitted by the Company to BSE Limited and National Stock Exchange and also uploaded on its website.
- 16.11 Contracts or agreements material to the compromise or arrangement.
- 16.12 The Certificate issued by Auditor of the Company to the effect that the accounting treatment, if any, proposed in the scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
17. The approval of public shareholders to the Scheme is also been separately sought by way of postal ballot and e-voting in terms of Section 391 to 394 of the Companies Act 1956, as per requirement contained in Circular No. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015, issued by the Securities and Exchange Board of India.
18. The following are common directors on the Board of POL, AAL and FSL :

Director	FSL	AAL	POL
Nahoosh Jayvadan Jariwala	Managing Director	Director	Director
Utkarsh Bhikhoobhai Shah	Chairman	Director	N A
Harsha Raghavan	Director	N.A.	Director



## FAIRCHEM SPECIALITY LIMITED

19. Pursuant to SEBI Circular and the SEBI (Listing Obligations And Disclosure Requirements) Regulations, the detailed pre scheme and post scheme (expected) capital structure and shareholding pattern of FSL is given herein below:

**A. Pre-demerger Shareholding pattern and Capital Structure of FSL**

Sr No	Particulars	No. of equity shares	% shareholding	Equity share capital
1	Promoter and Promoter Group	8,658,074	62.77%	86,580,740
2	Public	5,135,926	37.23%	51,359,260
	<b>Total</b>	<b>13,794,000</b>	<b>100.00%</b>	<b>137,940,000</b>

**B. Post-demerger Shareholding pattern and Capital Structure of FSL**

**B1. Equity Shares**

Sr No	Particulars	No. of equity shares	% shareholding	Equity share capital
1	Promoter and Promoter Group	19,511,021	73.83%	195,110,210
2	Public	6,917,332	26.17%	69,173,320
	<b>Total</b>	<b>26,428,353</b>	<b>100.00%</b>	<b>264,283,530</b>

**B2. Preference Shares**

Sr No	Particulars	No. of preference shares	% shareholding	Preference share capital
1	Promoter and Promoter Group	10,852,947	85.90%	108,529,470
2	Public	1,781,406	14.10%	17,814,060
	<b>Total</b>	<b>12,634,353</b>	<b>100.00%</b>	<b>126,343,530</b>

17. The effect of the arrangement on promoters / non-promoter members of FSL and POL is explained above. That apart, there is expected to be no adverse effect of the said arrangement on the key managerial personnel, directors, depositors, creditors, debenture holders, deposit trustee, debenture trustee and employees of AAL and POL, wherever relevant. Also, there is expected to be no adverse effect of the said arrangement on material interests of directors, key managerial personnel and debenture trustee wherever relevant.
18. This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956 read with Sections 102, 110, 230 and any other applicable sections of the Companies Act, 2013.

Dated this the 20th the day of December, 2016  
Place: Ahmedabad

Sd/-  
Mr. Utkarsh Shah  
DIN 00101663  
Chairman Appointed for the Meeting



# FAIRCHEM SPECIALITY LIMITED

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION  
COMPANY SUMMONS FOR DIRECTION NO.1024 OF 2016

In the matter of Companies Act, 1956 (1 of 1956) and other applicable provisions of Companies Act, 2013 (18 of 2013);

And

In the matter of Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956; and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 to the extent notified;

And

In the matter of Scheme of Arrangement between Privi Organics Limited, ("Demerged Company") and Fairchem Speciality Limited (Erstwhile known as Adi Finechem Limited), ("1<sup>st</sup> Resulting Company") and Adi Aromatic Limited, ("2<sup>nd</sup> Resulting Company") And their respective shareholders and creditors.

Fairchem Speciality Limited (Erstwhile known as Adi Finechem Limited), a company incorporated under the provisions of the Companies Act, 1956 having its registered office at 324, Dr. D. N. Road, Fort, Mumbai 400001

...Applicant Company /1<sup>st</sup> Resulting Company

### FORM OF PROXY

I/We \_\_\_\_\_ the undersigned being the Equity shareholder of Fairchem Speciality Limited (Formerly, Adi Finechem Limited), the Applicant Company do hereby appoint Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_ and failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy, to act for me/us at the meeting of Equity shareholders to be held at Ahmedabad Textile Mills' Association Hall, Opposite City Gold Cinema, Ashram Road, Ahmedabad – 380 009 on Monday, 16th day of January, 2017 at 03:00 p.m. for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed arrangement embodied in the Scheme of Arrangement between Privi Organics Limited (Demerged Company), Fairchem Speciality Limited (Formerly, Adi Finechem Limited) (1<sup>st</sup> Resulting Company) and Adi Aromatic Limited (2<sup>nd</sup> Resulting Company) And their respective shareholders and creditors and at such meeting, and any adjournment/adjournments thereof, to vote, for me/us and in my/our name(s) \_\_\_\_\_ (herein, if 'for' insert 'FOR', if 'against' insert 'AGAINST' and in the latter case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme of Arrangement either with or without modifications as my/our proxy may approve.

Affix ` 1/-  
Revenue  
Stamp

\*Strike out what is not necessary

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016 / 2017

Signature across the Stamp

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Reg. Folio No. : \_\_\_\_\_ Sole/First Holder : \_\_\_\_\_

Client ID No. : \_\_\_\_\_ Second Holder : \_\_\_\_\_

DP ID No. : \_\_\_\_\_ Third Holder : \_\_\_\_\_

No. of Shares : \_\_\_\_\_ Proxy : \_\_\_\_\_

Signature of the Shareholder

Signature of Proxy

#### Notes:

- (1) Please affix Revenue Stamp before putting Signature.
- (2) All alterations made in the Form of Proxy should be initialled.
- (3) The Proxy must be deposited at the Registered Office of the Company at 324, Dr. D. N. Road, Fort, Mumbai 400 001, Maharashtra or at its Corporate Office situated at 1st Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road, Off S.G. Road, Ahmedabad - 380 059 at least 48 hours before the time for holding the Court Convening meeting.
- (4) In case of multiple proxies, the proxy later in the time shall be accepted.
- (5) Proxy need not be a member.

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## FAIRCHEM SPECIALITY LIMITED

(Formerly Known as **ADI FINECHEM LIMITED**)

**Regd. Office:** 324, Dr. D.N. Road, Fort, Mumbai - 400 001, INDIA

**Corporate Office:** 1st Floor, 2, Sigma Corporates, B/h H.O.F. Living,  
Sindhu Bhavan Road, Off. S. G. Road, Ahmedabad-380 059. Gujarat, India

**Ph.:** (079) 29701675 **Email:** info@fairchem.in

**Website:** <http://www.fairchem.in> **CIN:** L15140MH1985PLC286828

### ATTENDANCE SLIP

**COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS ON MONDAY, 16<sup>th</sup> DAY OF JANUARY, 2017.  
PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

I/We hereby record my/our presence at the Meeting of the Equity shareholders of the Company, convened pursuant to the Order made on 09 December, 2016 of the Hon'ble High Court of Judicature at Bombay at Ahmedabad Textile Mills' Association's Hall, Opposite City Gold Cinema, Ashram Road, Ahmedabad 380 009 on Monday, 16<sup>th</sup> of January, 2017 at 03:00 p.m.

Name and Address of the Equity Shareholders **(IN BLOCK LETTERS):**

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Signature: \_\_\_\_\_

Reg. Folio No.: \_\_\_\_\_

Client ID: \_\_\_\_\_

DP.ID: \_\_\_\_\_

No. of Equity Shares: \_\_\_\_\_

No. of Class \_\_\_\_\_ (Series \_\_\_\_\_) Shares : \_\_\_\_\_

Name of the Proxy Holders\* **(IN BLOCK LETTERS)** \_\_\_\_\_

Signature : \_\_\_\_\_

\* (To be filled in by the Proxy in case he/she attends instead of the Equity Shareholders)

**Notes :**

Equity Shareholders attending the Meeting in person or by Proxy or through authorised representative are requested to complete and bring the Attendance Slip and hand it over at the entrance of the meeting hall.



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## FAIRCHEM SPECIALITY LIMITED

### NOTICE OF POSTAL BALLOT AND E-VOTING TO THE SHAREHOLDERS OF FAIRCHEM SPECIALITY LIMITED (FORMERLY KNOWN AS ADI FINECHEM LIMITED)

NOTICE PURSUANT TO SECTION 110 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 AND SECRETARIAL STANDARDS II, REGULATION 44 AND OTHER APPLICABLE PROVISIONS OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI LISTING REGULATIONS") (INCLUDING ANY STATUTORY MODIFICATION(S) OR RE-ENACTMENT THEREOF FOR THE TIME BEING IN FORCE), AND CIRCULAR BEARING NO. CIR/CFD/CMD/16/2015 DATED NOVEMBER 30, 2015 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI CIRCULAR")

Dear Shareholder(s),

**NOTICE** is hereby given to you to consider, and, if thought fit, to approve the proposed Scheme of Arrangement between Privi Organics Limited (the Demerged Company) and Fairchem Speciality Limited (formerly, Adi Finechem Limited)(the Company / 1<sup>st</sup> Resulting Company ) and Adi Aromatic Limited (2<sup>nd</sup> Resulting Company) and their respective Shareholders and Creditors ("**Scheme**").

Circular bearing No. CIR/CFD/CMD/16/2015 dated November 30, 2015, issued by SEBI (referred to as "SEBI Circular") requires that the Scheme to be put for voting by Public Shareholders (i.e. Equity Shareholders other than those forming part of Promoter and Promoter Group) through postal ballot and e-voting and provides that "the Scheme shall 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."

The Company hereby seeks the approval of its Public Equity Shareholders to the Scheme by way of postal ballot including e-voting pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the SEBI Circular, and the observation letters issued by the BSE Limited dated November 10, 2016 and National Stock Exchange of India Limited dated November 11, 2016 and under relevant provisions of applicable laws.

The Board of Directors has appointed Mr. Uday Dave of M/s. Parikh Dave & Associates, Practicing Company Secretaries (Membership No. FCS: 6545), as a scrutinizer for conducting the postal ballot voting process ("**Scrutinizer**") in a fair and transparent manner.

Further, the Company has engaged CENTRAL DEPOSITORY SERVICES (INDIA) Limited (CDSL) to provide e-voting facility to its equity shareholders in accordance with the SEBI circular no. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015, Regulation 44 of SEBI (Listing Obligation & Disclosures Requirements) Regulations, 2015 and section 108 and other applicable provisions of the Companies Act, 2013 read with related rules (including statutory modification or re-enactment thereof, for the time being in force) **If an equity shareholder has voted on the e-voting facility, he is not required to send a Form to the Company. If an equity shareholder has voted on the e-voting facility and also sends his Form, only the vote cast electronically shall be considered by the Scrutinizer.**

The instructions for voting by postal ballot are set out in the overleaf of the Form sent along with this notice.

You are requested to carefully read the instructions printed overleaf of the Form and return the Form duly completed (no other form or photocopy is permitted), in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer by no later than the close of working hours i.e 5:00 p.m. Indian Standard Time on 22<sup>nd</sup> January, 2017. The Forms received after such closing hours will be considered invalid and as not having been received. It is clarified that shareholders desiring to exercise their vote from outside India will have to arrange for postage from the country where the ballot papers are dispatched to the Scrutinizer.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman/Director of the Company. The results of the postal ballot will be announced by a Director or the Company Secretary of the Company on or before 25<sup>th</sup> January, 2017 and displayed on the notice board at the registered office of the Company at 324, Dr. D. N. Road, Fort, Mumbai 400 001 and corporate office of the Company at 1st Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road, Off S.G. Road, Ahmedabad 380 059, and will be placed on the website of the Company at [www.fairchem.in](http://www.fairchem.in) for information of shareholders and will also be published in a leading English newspaper and a vernacular newspaper of the city in which the registered office of the Company is situated, besides being communicated to stock exchanges, on which the shares of the Company are listed.

In the event the proposed resolutions are approved by the requisite majority of shareholders of the Company by means of postal ballot and e-voting, the resolution shall be deemed to have been passed on the last date specified by Company for receipt of duly completed postal ballot forms or e-voting.

**It is clarified that votes may be cast by shareholders both by postal ballot and also at the Court Convened Meeting and casting of votes by postal ballot does not disentitle them from casting their votes at the Court Convened Meeting and vice-versa. It is further clarified that while votes may be cast personally or by proxy at the Court Convened Meeting as provided in notice of Court Convened Meeting, exercise of votes through postal ballot is not permitted through a proxy.**



**RESOLUTIONS FOR POSTAL BALLOT**

*(Pursuant to Section 110 of the Companies Act, 2013 read with Circular bearing No. CIR/CFD/CMD/16/2015 dated November 30, 2015, issued by the Securities and Exchange Board of India ("SEBI"))*

**Scheme of Arrangement between Privi Organic Limited ("Demerged Company or POL"), Fairchem Speciality Limited (the "1<sup>st</sup> Resulting Company" "the Company" or "FSL") (formerly, Adi Finechem Limited) and Adi Aromatic Limited ("2<sup>nd</sup> Resulting Company or AAL") and their respective shareholders and creditors ("Scheme")**

To consider and if thought fit to pass, with or without modification(s), and with requisite majority the following resolutions:

**"RESOLVED THAT,**

- (i) pursuant to Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956, Section 52 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 or the provisions of Companies Act, 2013, as applicable;
- (ii) pursuant to the observation letters of the BSE Limited dated November 10, 2016 and National Stock Exchange of India Limited dated November 11, 2016 in terms of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and the Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015,, issued by the SEBI;
- (iii) subject to the approval of the creditors of the Company, if required;
- (iv) subject to the approval of shareholders and creditors of Privi Organics Limited and Adi Aromatic Limited;
- (v) subject to the approval of the Hon'ble High Court of Judicature at Bombay; and/or subject to approval of any other authority as may be applicable.
- (vi) subject to any other approvals, consents, or permissions, as may be required, under applicable laws.

The Scheme of Arrangement between Privi Organics Limited, the Company and Adi Aromatic Limited and their respective shareholders and creditors ("Scheme"), be and is hereby approved.

**RESOLVED FURTHER THAT,** the Board of Directors (which includes any committee thereof) of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the Demerger as embodied in the Scheme and to accept such modifications and/or conditions, if any, which may be required and/or imposed by the SEBI, BSE Limited, National Stock Exchange of India Limited, the Hon'ble High Court of Judicature at Bombay and/or by any other authority, while sanctioning the arrangement as embodied in the Scheme."

By Order of the Board of Directors

For Fairchem Speciality Limited  
Sd/-  
Mr. Utkarsh Shah  
DIN 00101663  
Chairman

**Registered Office:**

Fairchem Speciality Limited  
(formerly, Adi Finechem Limited)  
324, Dr. D.N.Road, Fort, Mumbai 400 001.  
Maharashtra  
Date: 20th December, 2016  
Place: Ahmedabad

**NOTES:**

- 1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out material facts and the reasons for the proposed resolution has been set out above.
- 2. The Board of Directors on July 12, 2016 has appointed Mr. Uday Dave, of M/s. Parikh Dave & Associates, Practicing Company Secretaries (Membership No. FCS 6545, Certificate of Practice No. 7158), as Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.



## FAIRCHEM SPECIALITY LIMITED

3. The Notice is being sent to all the Members whose names appear in the Register of Members/list of beneficial owners maintained by the Depositories i.e. National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) as on 17 December, 2016. A person, who is not a Member as on 17 December, 2016 should treat this Notice as for information purposes only.
4. Notice of Postal Ballot is being sent by email to those Members who have registered their e-mail addresses with the Company or with the Depository Participant (“DP”) unless any Member has requested for a physical copy of the same. Members who have received Notice of Postal Ballot by e-mail and who wish to vote through Physical Postal Ballot Form can download the Postal Ballot Form from the link [www.fairchem.in](http://www.fairchem.in) or seek duplicate Postal Ballot Form from M/s. Link Intime India Pvt. Ltd., the Registrar and Transfer Agents of the Company. The Notice, along with requisite annexure(s), Postal Ballot Form and postage prepaid self-addressed Business Reply Envelope, is also being sent in physical form by permitted mode to all Members.
5. No other form or photocopy of the form is permitted.
6. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed with assent (for) or dissent (against), in the attached Business Reply Envelope, so as to reach the Scrutinizer on or before Sunday, 22<sup>nd</sup> January, 2017 (5.00 pm I.S.T), to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
7. In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, if any, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the option of e-voting facility to all the Members of the Company. For this purpose, the Company has entered into an agreement with M/s. Central Depository Services (India) Limited for facilitating e-voting to enable the Members to cast their votes electronically instead of by physical mode. E-voting is optional for the Members. The Members who wish to vote by Postal Ballot Form (instead of e-voting), can download the Postal Ballot Form from the link [www.fairchem.in](http://www.fairchem.in) or seek duplicate Postal Ballot Form from M/s. Link Intime India Pvt. Ltd., the Registrar and Transfer Agents of the Company.
8. The Postal Ballot Notice is placed in the ‘Investor Relations’ section on the Company’s website: [www.fairchem.in](http://www.fairchem.in) and on the e-voting website of CDSL, i.e. [www.cdslindia.com](http://www.cdslindia.com).
9. **Members can opt for only one mode of voting, i.e. either by Physical Ballot or e-voting. If the Member is opting for e-voting, then they must not vote by Ballot Form and vice versa. However, in case the Members cast their vote by Ballot Form and e-voting, then the voting done through e-voting shall prevail and voting done through Ballot Form by post will be treated as invalid.**
10. A Member cannot exercise his vote by proxy on Postal Ballot.
11. In case a Member is desirous of obtaining a printed duplicate Postal Ballot Form, he or she may send an e-mail to [cs@adifinechem.com](mailto:cs@adifinechem.com) or [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in). The Registrar and Transfer Agent / Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member.
12. Members desiring to exercise vote by physical Postal Ballot Form are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballot, if sent by courier or registered / speed post at the expense of the Member will also be accepted. Assent / Dissent received after 5.00 p.m. on Sunday, 22<sup>nd</sup> January, 2017 would be strictly treated as if reply from the Member(s) has not been received. No other Form or photocopy thereof is permitted.
13. Voting rights shall be reckoned on the paid-up value of the shares registered in the name(s) of the Members on the cut-off date, i.e. 17<sup>th</sup> December, 2016.
14. The particulars as required by Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 with regards to the postal ballot shall be published through an advertisement in the following newspapers: (i) “Free Press Journal” in the English language and “Navshakti” in the Marathi language, both having circulation in Mumbai; (ii) “The Indian Express”, English Daily (Ahmedabad Edition) and “Divya Bhaskar”, Gujarati daily (Ahmedabad Edition), both having circulation in Ahmedabad.
15. The e-voting period will commence on Saturday, 24<sup>th</sup> December, 2016 (9.00 a.m. IST) and end on Sunday, 22<sup>nd</sup> January, 2017 (5.00 p.m. IST) (both days inclusive). During this period, Members of the Company holding shares either in physical form or in dematerialized form may cast their vote electronically. The e-voting module will be disabled for voting on 24<sup>th</sup> January, 2017 at 5.00 p.m. IST. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently.
16. In case of Equity Shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution / Authority.
17. The date of declaration of results of the postal ballot i.e. on or before 25<sup>th</sup> January, 2017, shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.



## FAIRCHEM SPECIALITY LIMITED

18. The Scrutinizer will submit his report to the Chairman of the Company after the completion of the scrutiny of the Postal Ballot Forms and the results of the Postal Ballot will be announced at 5:00 p.m. at the Corporate Office of the Company situated at 1st Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road, Off S.G. Road, Ahmedabad 380 059 on or before Wednesday, 25<sup>th</sup> January, 2017 and the same will be placed on the website of the Company at [www.fairchem.in](http://www.fairchem.in) and on CSDL website at [www.cdslindia.com](http://www.cdslindia.com).
19. The Board of Directors has appointed the Company Secretary as the person responsible for the entire postal ballot process.
20. All relevant documents referred to in the above Notice and other documents required to be open for inspection are open for inspection by Members of the Company at the Registered Office of the Company at 324, Dr. D. N. Road, Fort, Mumbai 400 001. Maharashtra and Corporate office at 1st Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road, Off S.G. Road, Ahmedabad 380 059 during working hours on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of this Postal Ballot.
21. The instructions for Members for e-voting are as under:
- The voting period begins on Saturday, 24<sup>th</sup> December, 2016 at 9:00 A.M. and ends on Sunday, 22<sup>nd</sup> January, 2017 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17<sup>th</sup> December, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot indicated in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Bank Details demat account or in the company records in order to login. If both the details are not recorded OR Date of Birth with the depository or company please enter the member id / folio number in the Dividend Bank (DOB) details field as mentioned in instruction (iv).

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN No. 161221002 for Adi Finechem Limited (Former name of Fairchem Speciality Limited) which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.



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- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



**SCHEME OF ARRANGEMENT  
BETWEEN  
PRIVI ORGANICS LIMITED  
AND  
FAIRCHEM SPECIALITY LIMITED (FORMERLY ADI FINECHEM LIMITED)  
AND  
ADI AROMATIC LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**(Under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (to the extent notified))**

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## I. Preamble

This Scheme of Arrangement is entered into between Privi Organics Limited (“POL”), Adi Aromatic Limited (“AAL”) and Fairchem Speciality Limited (formerly Adi Finechem Limited, hereinafter referred to as “FSL”) and their respective shareholders and creditors (“Scheme”), pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (to the extent notified).

## II. Description of Companies

1. POL is a public unlisted company engaged primarily in the following businesses: (i) identifying, developing, manufacturing, supplying and exporting of organic chemicals (primarily aroma chemicals) and processing of crude sulphated turpentine to obtain raw materials mainly used for manufacturing of aroma chemicals; (ii) research and development in relation to the activities referred to in (i); and (iii) trading in organic chemicals as referred to in (i) above. POL is also engaged in the business of trading in certain inorganic chemicals. The registered office of POL is at ‘Privi House’ A-71 TTC, Thane Belapur Road, near KoparKhairane Railway Station, Navi Mumbai 400 709 Maharashtra.
2. FSL is involved in the business of manufacturing, supplying and exporting of specialty oleochemicals (natural source) and nutraceuticals (natural source) made from the by products generated from processing of crude vegetable oils. FSL has developed technical expertise in processing byproducts or waste products of vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils. The equity shares of FSL are listed and traded on the BSE Limited and the National Stock Exchange of India Limited. The equity shares of FSL are listed but are not currently traded on the Ahmedabad Stock Exchange Limited. The Ahmedabad Stock Exchange has vide its letter dated June 04, 2014 informed all its listed companies that it has decided to voluntarily exit in compliance with the SEBI circular CIR/MRD/DSA/14/2012 dated May 30, 2012 on Exit Policy of De-Recognition/ Non-Operational Stock Exchanges. The registered office of FSL was formerly situated at 1st Floor, 2, Sigma Corporates, behind HOF Living, Sindhu Bhavan Road, Off S. G. Road, Ahmedabad 380 059, Gujarat. With effect from October 15, 2016, the registered office of FSL is situated at 324, Dr. D.N. Road, Fort, Mumbai 400 001, Maharashtra.
3. AAL is proposed to be engaged in the business of manufacturing, importing, exporting, trading and supplying of all kinds, types and varieties of chemicals. AAL is an unlisted public company and is a wholly-owned subsidiary of FSL. The registered office of AAL is at 8, Corporate Park, Sion-Trombay Road behind Swastik Park, Chembur, Mumbai 400 071, Maharashtra.

## III. Background and Rationale for the Scheme of Arrangement

- FSL is involved in the business of manufacturing, supplying and exporting of specialty oleochemicals (natural source) made from the by-products generated from processing of crude vegetable oils, and nutraceuticals in India. FSL has developed technical expertise in processing by products or waste products of vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils. Oleochemicals and nutraceuticals are versatile products, utilized in multiple industries, such as human wellness, personal care, soaps, detergents, lubricants, plastics, rubbers, coatings, and paper. Growing demand for biodegradable and sustainable products, on account of reducing reliance on petrochemicals is expected to remain a key driving factor for the global oleochemicals market, in addition to the increasing demand for end-products formulated from oleochemicals. The proposed Scheme will result in the addition of the Aroma Chemicals Business (*as defined hereinafter*) into FSL and will also bring in necessary research and development capability to identify, develop and produce new oleochemicals from the existing products of FSL. Further, the proposed Scheme will help FSL in expanding and diversifying its input base and developing manufacturing routes which are based on green novel processing techniques. Additionally, the global customer access of POL and its global logistics infrastructure to source low-cost waste will enable FSL in expanding and consolidating the business presence of FSL in the chemical industry in India and overseas.
- Each of the businesses have tremendous potential for growth and profitability and will require focussed leadership and management attention. The nature of risk and competition involved in the businesses carried out by each of the companies is distinct and the businesses carried on by each of the companies are capable of attracting a different set of investors and strategic partners, lenders and other stakeholders. Accordingly, FSL proposes to add the Aroma Chemicals Business of POL in AAL, a wholly owned subsidiary of FSL, so as to maximize value for all the stakeholders of POL and FSL.
- The management proposes to achieve the above pursuant to this Scheme under Sections 391 to 394, read with Sections 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 (*to the extent notified*), in the manner set out herein.
- The proposed Scheme will explicitly result in the following advantages:
  - Provide wider research and development access;
  - Wider range of applications and scope for growth;





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- Long term value unlocking of businesses *inter alia* due to global reach;
- Stability and enhancement in earnings and cash flow;
- Operational effectiveness and cost optimization;
- Mitigation of risk due to presence of two diverse businesses; and
- Stronger balance sheet resulting in: (i) improved allocation of capital; and (ii) broader access to capital markets.
- The Scheme is divided into the following parts:
  - PART A - Definitions and Share Capital;
  - PART B - Transfer of Demerged Undertaking from POL to AAL; and
  - PART C - General Terms and Conditions that would be applicable to the Scheme.

This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.



## PART A DEFINITIONS AND SHARE CAPITAL

### 1. DEFINITIONS

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

- 1.1. **“AAL”** means Adi Aromatic Limited, a company incorporated under the Companies Act, 2013 having its registered office at 8, Corporate Park, Sion-Trombay Road, behind Swastik Park, Chembur, Mumbai – 400 071, Maharashtra.
- 1.2. **“Act”** means the Companies Act, 1956 (to the extent of the sections thereof that have not been repealed) and Companies Act, 2013 (to the extent of the sections thereof that have been brought into force) and shall include any statutory modification, re-enactment or amendments thereof for time to time.
- 1.3. **“Appointed Date”** means August 1, 2016 or such other date as may be approved by the High Court(s).
- 1.4. **“Board of Directors” or “Board”** means and includes the respective board of directors of POL, FSL or AAL, as the context may require, and shall include any committee constituted (if any) by such board of directors for the purposes of the Scheme.
- 1.5. **“Demerged Undertaking” or “Aroma Chemicals Business”** means the entire activities, operations, business division and undertaking of POL pertaining to the business of (i) identifying, developing, manufacturing, supplying and exporting organic chemicals (primarily aroma chemicals) and processing of crude sulphated turpentine to obtain raw materials mainly used for manufacturing of aroma chemicals; (ii) research and development activity in relation to the aforesaid activities referred to in (i); and (iii) trading in organic chemicals as referred to in (i) above, on a going concern basis along with all related assets, liabilities, intangible assets, employees, rights, powers, licenses, statutory registrations, permissions and powers, leasehold rights, and all its debts, outstandings, liabilities, duties, obligations as on the Appointed Date. Without prejudice to the generality of the aforesaid, it shall include (without limitation) in particular the following:
  - Immovable properties, whether freehold, leasehold or otherwise and any document of title, rights, interest and easements in relation thereto, including all freehold and leasehold premises and buildings, pertaining to all rights in any premises (whether pursuant to leave and license agreements, agreement to use or otherwise), service agreement for guest house, business centers, leases for office properties and residential properties, forming part of the Demerged Undertaking and/or used by POL in connection with the Demerged Undertaking (including but not limited to the list of immovable properties as set out in **Annexure 1**);
  - All assets (whether movable or immovable, tangible or intangible, present, future or contingent), including, without limited to, all rights, titles and interest in connection with the land and buildings thereon whether corporeal or incorporeal, freehold, leasehold or otherwise, pertaining to all rights in any premises (whether pursuant to leave and license agreements, agreement to use or otherwise), plant and machinery embedded in to the earth, manufacturing units, laboratories, facilities, inventories, stores and stocks, accessories, utilities, services, implements, apparatus, assembly systems, conveyer lines, instruments, vehicles, spares, tools, vessels, stabilizers, capital work in progress, advances, deposits, sundry debtors, loans and advances, the benefit of any deposits including earnest suppliers' and security deposits, bills of exchange and prepaid expenses, cash and bank balances, office equipment, furniture and fixtures, communication facilities, other fixed assets, trademark, brands and other investments specifically relating to the aroma chemicals business, investments, including without limitation, all the equity shares held in Privi Biotechnologies Private Limited and Privi Organics USA Inc. and all other assets whether real or personal, present/current, future or contingent and liabilities relating to the Demerged Undertaking;
  - All permits, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, registrations, filings, rights, contracts, agreements, engagements, insurance policies, arrangements, authorities, allotments, notarization, declaration, subsidies, concessions, exemptions, incentives, grants, claims, tenancy rights, liberties, special status and other benefits or privileges, remissions, tax deferrals, tenancies in relation to office, bank accounts, lease rights, licenses, industrial and other licenses, if any, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of any guarantees, reversions, powers, agreements, contracts and arrangements and all other approvals, sanctions and consents of every kind, nature and description whatsoever and all other interests in connection with or relating to the Demerged Undertaking;
  - All debts, borrowings, obligations, taxes, duties and liabilities both present and future (including tax liabilities, deferred tax liabilities, contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in rupees or foreign currency, relating to the Demerged Undertaking;
  - For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking will include:



## FAIRCHEM SPECIALITY LIMITED

- All debts, borrowings, obligations, taxes and liabilities, including tax and all other liabilities arising between the Appointed Date and the Effective Date, whether present or future, (including contingent liabilities), whether secured or unsecured, which arise out of the activities or operations of or in relation to the Demerged Undertaking;
  - Specific loans and borrowings raised, incurred and utilised solely for the activities or operation of the Demerged Undertaking; and
  - Liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of POL, allocated to the Demerged Undertaking in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of POL immediately before giving effect to the Scheme.
- All intellectual property and industrial property rights and assets, and all rights, interests and protections associated with, similar to or required for any of the foregoing, whether registered or unregistered, trade and service names and marks, brand names, logos, design rights, and other similar designations of source, sponsorship, association or origin, patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patents, patent applications, and other patent rights and any other authority-issued indicia of invention ownership (including inventor's certificates, petty patents and patent utility models), industrial property rights and assets, inventions, discoveries, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein, works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer and neighboring rights, and all registrations, applications for registration and renewals of such copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software and firmware, including data files, source code, object code, application programming interfaces, architecture, files, records, schematics, computerized databases and other related specifications and documentation. software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information, and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Demerged Undertaking.
  - All employees of the Demerged Undertaking, as identified by the Board of Directors of POL, as on the Effective Date.
  - All legal proceedings of whatsoever nature by or against POL pending on the Appointed Date and relating to the Demerged Undertaking.
  - 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 or not, shall be decided by mutual agreement between the Board of Directors of POL, FSL and AAL.
  - It is clarified that the Demerged Undertaking shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the Remaining Business of POL.
- 1.6. **"Effective Date"** means the date on which the certified or authenticated copies of the orders sanctioning the Scheme, passed by the High Court(s) is filed with the relevant Registrar of Companies. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.
- 1.7. **"FSL"** means Fairchem Speciality Limited (formerly Adi Finechem Limited), a company incorporated under the Companies Act, 1956 and having its registered office at 324, Dr. D.N. Road, Fort, Mumbai 400 001, Maharashtra.
- 1.8. **"High Court(s)"** means the relevant High Court(s) having jurisdiction over POL, AAL and FSL, respectively.
- It is hereby clarified that in the event that the provisions of Chapter XV of the Companies Act, 2013 pertaining to compromises, arrangements become applicable and effective for the purposes of this Scheme, all reference to the High Court(s) shall be deemed to include references to the National Company Law Tribunal that has been constituted under the Companies Act, 2013 or any other forum or authority as may be vested with any of the powers of a High Court in relation to the Scheme under the Act.
- 1.9. **"POL"** means Privi Organics Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 'Privi House' A-71 TTC, Thane, Belapur Road, near KoparKhairane Railway Station, Navi Mumbai 400 709, Maharashtra.
- 1.10. **"Record Date"** means the date to be fixed jointly by the Board of Directors of POL and FSL, for the purpose of determining the shareholders of POL who shall be entitled to receive equity shares and compulsorily convertible preference shares of FSL as consideration as per Clause 5 of the Scheme.
- 1.11. **"Remaining Business"** with respect to POL means the business of trading in inorganic chemicals, and all assets and liabilities of POL related to such business.



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- 1.12. **“Resulting Companies”** means (i) AAL, a wholly owned subsidiary of FSL, to which Demerged undertaking of POL is being transferred, and (ii) FSL, in which equity shares and compulsorily convertible preference shares are being issued to the shareholders of POL for transfer of the Demerged undertaking, pursuant to the demerger of the Demerged Undertaking of POL into AAL, in accordance with Section 2(19AA) of the Income-tax Act, 1961.
- 1.13. **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form or with any modification(s) made under Clause 15 of this Scheme as approved or directed by the High Court(s).
- 1.14. **“SEBI”** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.15. **“SEBI Circular”** means Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.
- 1.16. **“Stock Exchanges”** shall mean the BSE Limited and the National Stock Exchange of India Limited collectively.
- 1.17. 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 Securities Contract Regulation Act, 1956, the Depositories Act, 1996, the Income-tax Act, 1961 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time in particular, wherever reference is made to the High Court(s) in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of the High Court(s) under the Act.
- 1.18. Upon implementation of the provisions contained in the Companies Act, 2013, if the Scheme has been filed with the High Court(s) and is pending disposal, the procedure to be followed from the date of such implementation would be as prescribed in the rules promulgated under the Companies Act, 2013 as may be applicable

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

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 15 of the Scheme, approved or imposed or directed by the High Court(s), shall be effective from the Appointed Date but shall be made operative from the Effective Date.

### 3. SHARE CAPITAL

- 3.1 The share capital of POL as on March 31, 2016 is as under:

Particulars	Amount (Rs.)
Authorised	
40,000,000 Equity Shares of Rs. 10 each	400,000,000
<b>Total</b>	<b>400,000,000</b>
Issued Subscribed and Paid Up	
14,845,001 Equity Shares of Rs. 10 each fully paid-up	148,450,010
<b>Total</b>	<b>148,450,010</b>

- 3.2 As on date of the Scheme being approved by the Board of Directors of POL, the Board of Directors of POL has agreed to issue 3,872,567 equity shares of Rs. 10/- each of POL. Upon such further issuance of equity shares, the proposed share capital of POL shall be as under:

Particulars	Amount (Rs.)
Authorised	
40,000,000 Equity Shares of Rs. 10 each	400,000,000
<b>Total</b>	<b>400,000,000</b>
Issued, Subscribed and Paid Up	
18,717,568 Equity Shares of Rs. 10 each fully paid-up	187,175,680
<b>Total</b>	<b>187,175,680</b>

- 3.3 The share capital of FSL as on March 31, 2016 is as under:

Particulars	Amount (Rs.)
<b>Authorised</b>	
50,000 Preference Shares of Rs. 100 each	5,000,000
14,500,000 Equity Shares of Rs. 10 each	145,000,000
<b>Total</b>	<b>150,000,000</b>
Issued, Subscribed and Paid Up	
13,794,000 Equity Shares of Rs. 10 each fully paid up	137,940,000
<b>Total</b>	<b>137,940,000</b>



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- 3.4 As on date of the Scheme being approved by the Board of Directors of FSL, there has been no change in the authorized, issued, subscribed and paid up share capital of FSL.
- 3.5 The share capital of AAL as on July 19, 2016 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<i>Authorised</i>	
<b>10,000 Equity Shares of Rs. 10/- each</b>	100,000
<i>Total</i>	100,000
<b>Issued, Subscribed and Paid Up</b>	
<b>10,000 Equity Shares of Rs. 10/- each</b>	100,000
<i>Total</i>	100,000



## PART B TRANSFER OF DEMERGED UNDERTAKING FROM POL TO AAL

### 4. TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM POL TO AAL

- 4.1 With effect from the Appointed Date and upon this Scheme coming into effect, the Demerged Undertaking (including all accretions and appurtenances) shall, without any further act, instrument or deed, be and stand de-merged from POL and transferred to and vested in or be deemed to be transferred to and vested in AAL as a going concern, so as to vest in AAL, all the rights, titles and interests pertaining to Demerged Undertaking, pursuant to Sections 391 to 394 of the Act and any other relevant provisions of the Act (as may be applicable), Section 2(19AA) of the Income-tax Act, 1961 and the order of the High Court(s) sanctioning the Scheme, subject however, to subsisting charges pertaining to the Demerged Undertaking, if any.
- 4.2 Without prejudice to the provisions of Clause 4.1 above, in respect of such of the assets and properties (tangible or intangible) of the Demerged Undertaking, including cash in hand, as are movable in nature or otherwise capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, and shall upon such delivery or endorsement and delivery, become the assets and properties of AAL, without requiring any deed or instrument or conveyance for the same.
- 4.3 In respect of movable assets of the Demerged Undertaking other than those specified in Clause 4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the following methodology shall to the extent possible be followed:
- AAL shall give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the High Court(s) having sanctioned this Scheme, the said debt, loan, advance or deposit be paid to or made good to or held on account of AAL and that the right of POL to recover or realize the same stands extinguished and deemed to be transferred to AAL.
- 4.4 Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property of POL forming part of the Demerged Undertaking and/or used by POL in connection with the Demerged Undertaking and any document of title, rights, interest and easements in relation thereto (including but not limited to the list of the immovable properties as set out in **Annexure 1** herein), shall stand transferred to and be vested in AAL, as a successor of POL in relation to the Demerged Undertaking, without any act or deed to be done or executed by POL and/ or AAL. AAL shall be entitled to exercise all rights and privileges and be liable to pay appropriate rent, rates, taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the title to the immovable properties shall be made and duly recorded in the name of AAL by the appropriate governmental authorities and third parties pursuant to the sanction of the Scheme by the High Court(s) and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed to be done or executed by POL and/ or AAL. It is clarified that AAL shall be entitled to engage in such correspondence and make such representations as may be necessary for the purposes of the aforesaid mutation and/or substitution.
- 4.5 Upon this Scheme coming into effect, and with effect from the Appointed Date, and subject to the provisions of this Scheme, all debts, liabilities, contingent liabilities, taxes, duties and obligations of every kind, nature and description of POL pertaining or relating to the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred from POL and transferred to and vested in or be deemed to be transferred to and vested in and assumed by AAL so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, taxes, duties and obligations of AAL, pursuant to Sections 391 to 394 of the Act and any other relevant provisions of the Act and the order of the High Court(s) sanctioning the Scheme, and 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, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.6 With effect from the Appointed Date and upon this Scheme coming into effect, all permits, no objection certificates, contracts, deeds, agreements and other instruments, permissions, approvals, consents, rights, entitlements, licenses, including those relating to tenancies, copyrights, intellectual property rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to Demerged Undertaking of which POL is a party or to the benefit of which POL may be eligible and which are subsisting or having effect on the Effective Date, shall stand transferred to and vested in AAL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of AAL upon the vesting and transfer of Demerged Undertaking in AAL pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of AAL, and may be enforced by AAL as fully and effectually as if, instead of POL, AAL had been the original party or beneficiary or obligee thereto, and AAL shall be bound by the terms thereof.
- 4.7 The transfer and vesting of the Demerged Undertaking, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over the assets or any part thereof which are subsisting on transfer of such assets to AAL and relating to the liabilities of the Demerged Undertaking which are also transferred to AAL. In so far as assets comprised in



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the Demerged Undertaking are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings of POL shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to those liabilities of POL which are not transferred to AAL.

- 4.8 In so far as the assets of the Remaining Business are concerned, the security over such assets, if any, to the extent they relate to the liabilities of the Demerged Undertaking shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or third party in order to effect such release shall not affect the operation of the foregoing sentence. Without prejudice to the foregoing and with effect from the Effective Date, POL and AAL shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies to give formal effect to the above provisions, if required.
- 4.9 It is clarified that all assets, estate, rights, title, interest and authorities acquired by POL or any liabilities accrued to POL after the Appointed Date and prior to the Effective Date for operation of or in connection with the Demerged Undertaking shall also stand transferred to and vested in AAL with effect from the Effective Date.
- 4.10 Where any of the liabilities mentioned in sub-clauses 1.6 have been discharged by POL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of AAL.
- 4.11 All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of POL and pertaining to the Demerged Undertaking after the Effective Date, shall be accepted by the bankers of AAL and credited to the accounts of AAL, if presented by AAL.
- 4.12 This part of the Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2 (19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2 (19AA) of the Income-tax Act, 1961, the provisions of Section 2 (19AA) of the Income-tax Act, 1961 shall prevail and the Scheme to stand modified to the extent necessary to comply with Section 2 (19AA) of the Income-tax Act, 1961; such modification shall not affect other parts of the Scheme.

### 5 CONSIDERATION

- 5.1 Upon this Scheme becoming effective and as consideration for the Scheme, FSL shall, without any act, application, payment or deed, issue and allot equity shares and compulsory convertible preference shares, credited as fully paid up, to the extent indicated below, to the equity shareholders of POL whose names appear in the register of members of POL and whose names appear as the owners of the equity shares of POL in the records of POL on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of FSL / POL in consideration for the transfer of the Demerged Undertaking in the following proportion viz.:

*"27 (twenty seven) equity shares of FSL of Rs. 10 each fully paid up for every 40 (forty) equity shares of POL of Rs. 10/- each fully paid up"; and*

*"27 (twenty seven) compulsorily convertible preference shares of FSL of Rs. 10 each fully paid up for every 40 (forty) equity shares of POL of Rs. 10/- each fully paid up".*

- 5.2 The equity shares of FSL to be issued and allotted as above shall be subject to the memorandum and articles of association of FSL in the same manner as the existing equity shares and shall rank *paripassu* with the existing equity shares of FSL in all respects including dividends. The compulsorily convertible preference shares of FSL to be issued and allotted as above shall be subject to the memorandum and articles of association of FSL in the same manner as the existing compulsorily convertible preference shares and shall be subject to the terms set out in **Annexure 2** hereto.
- 5.3 The equity shares and compulsorily convertible preference shares of FSL shall be issued and allotted in dematerialized form to those equity shareholders who hold shares of POL in dematerialized form, and in to the demat account in which POL shares are held or such other account as is intimated by the equity shareholders to POL and / or its registrar. All those equity shareholders who hold equity shares of POL in physical form shall also have the option to receive the equity shares and compulsorily convertible preference shares, as the case may be, in dematerialized form provided the details of their account with the depository participant are intimated in writing to POL and / or its registrar. In the event that FSL has received notice from any person that equity shares and/or compulsorily convertible preference shares are to be issued in physical form or if any person has not provided the requisite details relating to his/her /its account with a depository participant or other confirmations as may be required or if the details furnished by any person do not permit electronic credit of the equity shares and/or the compulsorily convertible preference shares, then FSL shall issue equity shares and/or compulsorily convertible preference shares in physical form to such person or persons.
- 5.4 The Board of Directors of FSL shall, if and to the extent required, apply for and obtain any approvals from concerned government / regulatory authorities for the issue and allotment of equity shares and compulsorily convertible preference shares pursuant to Clause 5.1 above of the Scheme.



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- 5.5 Equity shares of FSL to be issued and allotted to the equity shareholders of POL pursuant to Clause 5.1 above of the Scheme will be listed and/or admitted to trading on the BSE Limited and the National Stock Exchange of India Limited, where the equity shares of FSL are listed and/or admitted to trading in accordance with the applicable laws including without limitation the SEBI Circular. FSL 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 complying with the formalities of the said stock exchanges.
- 5.6 In the event of there being any pending share transfers with respect to the application lodged for transfer by any equity shareholder of POL, the Board of Directors or any committee thereof of POL, or failing which the Board of Directors or any committee thereof of FSL, shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in POL as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in POL and in relation to the equity shares and compulsorily convertible preference shares of FSL after the Scheme becomes effective.
- 5.7 Equity shares and compulsorily convertible preference shares to be issued and allotted by FSL to the equity shareholders of POL pursuant to Clause 5.1 above of this Scheme, in respect of any equity shares in POL which are held in abeyance under the provisions of Section 206A or any corresponding provisions of the Act or otherwise, pending allotment or settlement of dispute, by order of court or otherwise, be held in abeyance by FSL.
- 5.8 If any equity shares of POL held by the equity shareholders of POL as on the Record Date are under any statutory lock-in, the equity shares issued and allotted by FSL to such equity shareholders shall also be locked-in for the remainder of the lock-in period as per applicable laws.
- 5.9 Approval of this Scheme by the shareholders of FSL shall be deemed to be due compliance of the provisions of Sections 42, 55, 62 and the other relevant provisions of the Companies Act, 2013 and all applicable laws for the issue and allotment of equity shares and compulsorily convertible preference shares by FSL, as provided in this Scheme.
- 5.10 The approval of this Scheme by the shareholders of FSL, AAL and POL respectively, under Sections 391 and 394 of the Act or any corresponding provisions of the Act shall be deemed to have the approval under Sections 13, 14 and other applicable provisions of the Act and all applicable laws.
- 5.11 Fractional entitlements, if any, by FSL, to the equity shareholders of POL at the time of issue and allotment of equity shares and compulsorily convertible preference shares under Clause 5.1 above shall be consolidated.
- 5.12 Upon such consolidation, the Board of Directors of FSL shall allot equity shares and compulsorily convertible preference shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of FSL shall appoint in this behalf, who shall hold the equity shares and compulsorily convertible preference shares issued in FSL, in trust on behalf of the shareholders entitled to fractional entitlements with the express understanding that the Director or other authorized representative(s) shall sell the same in the market at such time or times (in case of compulsorily convertible preference shares, not until conversion in terms of Annexure 2) and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to FSL, the net sale proceeds thereof, whereupon FSL shall distribute such net sale proceeds (after deduction of applicable taxes), to the shareholders in proportion to their respective fractional entitlements. Any fractional entitlements arising post such consolidation, if any, shall be ignored.

## 6 ACCOUNTING TREATMENT

### In the books of AAL

- 6.1 Upon coming into effect of this Scheme, AAL, shall record the assets and liabilities, pertaining to the Demerged undertaking, transferred to and vested in it pursuant to this Scheme, at the same values as appearing in the books of POL on the opening of business on the Appointed Date.
- 6.2 The deficit, if any, of value of assets over the value of liabilities pertaining to the Demerged Undertaking shall be recorded as the goodwill and the excess will be treated as general reserve by AAL.
- 6.3 If considered appropriate for the purpose of application of uniform accounting methods and policies between POL and AAL, AAL may make suitable adjustments to record the assets and liabilities of the Demerged Undertaking in its books and the deficit, if any, shall be debited to the profit and loss account and the excess, if any, shall be treated as capital reserve by AAL.

### In the books of FSL

- 6.4 FSL shall credit its share capital account with the aggregate face value of equity shares and compulsorily convertible preference shares issued pursuant to Clause 5.1 of this Scheme and corresponding debit shall be made to the general reserve and/or balance in the profit and loss account appearing in the balance sheet of FSL.

### In the books of POL

- 6.5 The book values of the assets and liabilities pertaining to Demerged Undertaking transferred by POL to AAL, shall be reduced from the book values of the assets and liabilities appearing in the books of POL.





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- 6.6 The difference being the excess of the book value of assets transferred over the book value of liabilities transferred shall be first adjusted against the securities premium account of POL and the balance shall be then adjusted against the general reserve account, and then to the capital subsidy and special capital incentives. The remaining balance, if any, after the aforesaid adjustments shall be debited to the profit and loss account of POL.
- 6.7 The application and utilization of the securities premium account of POL, as mentioned above shall be effected as an integral part of this Scheme without having to follow the process under Section 52 of the Companies Act, 2013, read with Sections 100 to 103 of the Act separately and the order of the High Court(s) sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act confirming the reduction and sufficient compliance of the provisions of Sections 100 to 103 of the Companies Act, 1956, Rule 85 of the Companies (Court) Rules, 1959, and other applicable provisions including any modifications or reenactment thereof for the time being in force, relating to the reduction of share capital. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the Act will not be applicable. Further, POL shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

### 7 CHANGE OF NAME

Upon the Scheme becoming effective, with effect from the Effective Date, the name of AAL may be changed to 'Privi Organics (I) Limited' or such other name as may be approved by the Registrar of Companies, subject to AAL filing all necessary forms and applications with the Registrar of Companies in this regard. Approval of the shareholders of FSL, POL and AAL to the Scheme shall be considered as the approval required under the applicable provisions of the Act for such change of name.

### 8 CONDUCT OF BUSINESS

- 8.1 With effect from the Appointed Date and up to and including the Effective Date:
- 8.1.1 POL shall, in respect of the Demerged Undertaking, be deemed to have been carrying on and shall carry on its business and activities and shall hold and stand possessed of and hold all its properties and assets in relation to the Demerged Undertaking for and on account of and in trust for AAL. POL hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 8.1.2 All the profits or income accruing or arising to POL in respect of the Demerged Undertaking, or expenditure or losses arising to or incurred by POL in respect of the Demerged Undertaking, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of AAL.
- 8.1.3 POL shall carry on the business and activities with reasonable diligence and prudence and shall not without the prior written consent of the Board of Directors of FSL and AAL respectively, alienate, charge, mortgage, encumber or otherwise deal with or dispose-off, the Demerged Undertaking, except in the ordinary course of business. POL shall not, without the prior written consent of FSL and AAL respectively, undertake any new businesses within the Demerged Undertaking except in the ordinary course of its business.
- 8.1.4 Where any of the liabilities and obligations attributed to the Demerged Undertaking, has been discharged by POL, on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of AAL.
- 8.1.5 All loans raised and liabilities incurred by POL after the Appointed Date but before the Effective Date for operations of the Demerged Undertaking shall be discharged by AAL respectively on or after the Effective Date.
- 8.1.6 POL shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation, without the prior written consent of the Board of Directors of FSL and AAL respectively.
- 8.1.7 AAL shall be entitled, pending the sanction of the Scheme by the High Court(s), to apply to the central/state government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which AAL may require to own and carry on the business of the Demerged Undertaking.
- 8.2 On the Scheme becoming effective, FSL shall be controlled and managed in the manner set out in its articles of association, including without limitation in relation to the business practices, corporate governance and the key matters (as may be set out in its articles of association).

### 9 EMPLOYEES

- 9.1 On the Scheme becoming effective, all the employees of POL engaged in or in relation to the Demerged Undertaking shall become the employees of AAL, without any break or interruption in their services, on same (but in any case no less favourable) terms and conditions on which they are engaged as on the Effective Date. AAL further agrees that for the purpose of provident fund or superannuation or payment of any other retirement or termination benefit / compensation, or other statutory purposes, the services of such employees will be reckoned from the date of their respective appointments with the Demerged Undertaking of POL. AAL undertakes to continue to abide by the terms of agreement / settlement



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entered into by POL, with employees' union / employee or associations of the Demerged Undertaking. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking shall be decided by the Board of Directors of POL.

- 9.2 The accumulated funds standing to the credit of the employees whose services are transferred under Clause 9.1 above, relating to superannuation, provident fund and gratuity fund or any other statutory or special fund or trusts created or existing for the benefit of the employees of POL engaged in or in relation to the Demerged Undertaking shall be identified, determined and transferred to such provident fund, superannuation fund and other funds nominated by the trusts / funds of AAL other funds to be established and caused to be recognized by the concerned authorities by AAL, and such employees shall be deemed to have become members of such trusts / funds of AAL on the same terms and conditions as applicable to the Funds of POL in relation to the said employees. On and from the Effective Date, with effect from the Appointed Date, and subject to getting the Scheme approved by the relevant authorities, AAL shall make the necessary contributions for such employees in relation to the funds. It is clarified that the services of the employees of POL engaged in or in relation to the Demerged Undertaking of POL shall be treated as having been continuous without any break, discontinuance or interruption for the purpose of the said funds.
- 9.3 It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking in relation to such funds shall become those of AAL.

### 10 LEGAL PROCEEDINGS

- 10.1 All legal proceedings relating to the Demerged Undertaking of whatsoever nature by or against POL pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against AAL, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against POL. It is hereby expressly clarified that any legal proceedings by or against POL in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of POL and pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, AAL after the coming into effect of the Scheme.
- 10.2 After the Appointed Date, if any proceedings are taken against POL in respect to the matter referred in the preceding clause, they shall prosecute and defend the same, as the case may be, at the cost of AAL, and AAL shall reimburse and indemnify POL against all liabilities and obligations incurred by AAL in respect thereof.
- 10.3 All legal or other proceedings initiated by or against the Demerged Undertaking referred in Clause 10.1 and Clause 10.2 above shall stand transferred to the name of AAL and the same shall be continued, prosecuted, defended and enforced as the case may be by or against AAL, to the exclusion of POL.
- 10.4 FSL shall ensure defense of any legal proceedings initiated against AAL in relation to the implementation of the Scheme.

### 11 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 11.1 Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements (including shareholders agreements and investor agreements) and other instruments (including all tenancies, leases, and other assurances in favour of POL or powers or authorities granted by or to it), if any, of whatsoever nature pertaining to the Demerged Undertaking, to which POL is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of AAL, as the case may be, and may be enforced by or against AAL as fully and effectually as if, instead of POL, AAL had been a party or beneficiary or oblige thereto and shall be binding on AAL.
- 11.2 AAL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which POL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. AAL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of POL and to implement or carry out all formalities required on the part of POL to give effect to the provisions of this Scheme.

### 12 SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities as envisaged in this Scheme and the continuance of proceedings by or against POL in relation to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by POL on or after the Appointed Date till the Effective Date, to the end and intent that AAL accepts and adopts all acts, deeds and things done and executed by POL in respect thereto as done and executed on behalf of AAL.



## PART C GENERAL TERMS & CONDITIONS

### 13 REMAINING BUSINESS

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

### 14 APPLICATION TO HIGH COURT(S)

AAL, FSL and POL shall make all necessary applications/ petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court(s) for seeking approval of the Scheme and for such other orders as the High Court(s) may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

### 15 MODIFICATION OR AMENDMENTS TO THE SCHEME

Subject to the approval of the High Court(s), AAL, FSL and POL by their respective Boards of Directors (the "Board", which term shall include any Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Court(s) and/or any other statutory/ regulatory authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Boards). FSL, AAL and POL, by their respective Boards, are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

### 16 CONDITIONALITY OF THE SCHEME

- 16.1 This Scheme is and shall be conditional upon and subject to:
- 16.1.1 The Scheme being approved by the requisite majorities in number and value of the various classes of shareholders and/or creditors (where applicable) of AAL, FSL and POL as may be directed by the High Court(s).
- 16.1.2 The Scheme being approved by the "public" shareholders of FSL through postal ballot/e-voting with the votes cast by "public" shareholders in favour of the Scheme being more than the votes cast against it, as required under the SEBI Circular. For the purposes of this sub-clause, the term 'public' shall have the meaning ascribed to such term under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- 16.1.3 Receipt of pre-filing and post sanction approvals of the relevant Stock Exchanges where the equity shares FSL are listed and traded and SEBI in terms of the SEBI Circular, as applicable.
- 16.1.4 The Scheme being sanctioned by the High Court(s) under Sections 391 to 394 and other applicable provisions of the Act.
- 16.1.5 Authenticated/ certified copies of the orders of the High Court(s) sanctioning the Scheme being filed with the relevant Registrar of Companies by POL, FSL and AAL respectively.
- 16.1.6 The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

### 17 EFFECT OF NON-RECEIPT OF APPROVALS

- 17.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the High Court(s), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.
- 17.2 In the event of revocation under Sub-Clause 17.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to POL, AAL and FSL or their respective shareholders or creditors or employees or any other person save and except



## FAIRCHEM SPECIALITY LIMITED

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in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or 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.

17.3 The Board of Directors of FSL, POL and AAL shall be entitled to withdraw this Scheme prior to the Effective Date. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, neither FSL, nor POL nor AAL shall be entitled to withdraw the Scheme unilaterally without the prior written consent of the other parties.

### **18 COSTS, CHARGES AND EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto including but not limited to stamp duty charges with respect to the issuance and allotment of fully paid up equity shares and compulsorily convertible preference shares of FSL to the equity shareholders of POL, payment of all stamp duty and registration charges with respect to the transfer of the Demerged Undertaking (including all accretions and appurtenances), as a going concern, from POL to AAL, shall be equally borne by POL and FSL, or as may be mutually agreed between POL and FSL.

### **19 MISCELLANEOUS**

FSL, AAL and POL and the promoters of FSL and their respective promoter groups shall from time to time execute and deliver all such further documents and do all acts and things as may be required to effectively carry on the full intent and meaning of this Scheme and to implement the Scheme.



**ANNEXURE 1**

The following are the list of the immovable properties forming part of the Demerged Undertaking and/or used by POL in connection with the Demerged Undertaking. The list below is indicative and shall not be deemed to be exhaustive.

**A. Leases**

Unit #	Plot No.	Location		Lessee	Total Area (Sqm)	Built-up Area (Sqm)	Remarks
Unit I	Plot A-7	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	6,526	3,394	
Unit II	Plot C-3,4,5,6	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	32,400	22,127	
Unit II	Plot C-7	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	4,050		By Product Plant & Tank farm under construction
Unit II	Plot C-6/1	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	4,081		Road surrounding Tank Farm.
Unit II	Plot C-6/2	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	2,770		Contractor shed.
Unit III	Plot A-3	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	12,000	7,382	
Unit IV	Plot C-33/1, X-9,10,11	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	5,081	1,496	
Unit IV	Plot C-33/2	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	891		Construction work in progress for coal storage
Residential	Plot R-27	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	2,365	795	
To be designated post completion of construction	Plot B-1/1	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	13,539		Presently 14484 sqm, out of which 13539 sqm would remain with POL and balance to be transferred to Laxmi Organic Industries Ltd pursuant to a Court Order
To be designated post completion of construction	Plot B-1/2	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	1,910		Presently Nil. 1910 sqm to be transferred from Laxmi Organic Industries Ltd to POL pursuant to a Court Order
To be designated post completion of construction	Plot B-1/3	MIDC, MahadInd Area	Mahad (MH)	Privi Organics Limited	14,334		Presently 23214 sqm, out of which 14334 sqm would remain POL and balance to be transferred to Laxmi Organic Industries Ltd pursuant to a Court Order
			<b>Total</b>		<b>99,947</b>	<b>35,194</b>	



## FAIRCHEM SPECIALITY LIMITED

### B. Other Leases/ Leave & Licenses

Unit #	Plot No.	Location		Lessee	Total Area (Sqm)	Built-up Area (Sqm)	Remarks
Unit II	Plot C-8	MIDC, MahadInd Area	Mahad (MH)	Minar Organics P Limited	4,050		On Lease Agreement valid upto March 31, 2017
Unit II	Plot C-9	MIDC, MahadInd Area	Mahad (MH)	Vivira Chemicals P Limited	4,050		On Lease Agreement valid upto March 31, 2017
Registered Office	Plot A-71	TTC Ind Estate, Koparkhairane	Navi Mumbai	Alfa Cycles P Limited	1,593		Leave & License as well as Amenities Agreement valid upto August 31, 2016, Extendable upto Aug 31, 2021
			<b>Total</b>		<b>9,693</b>		

### C. Acquiring Leasehold Interest

Unit #	Plot No.	Location		Lessee	Total Area (Sqm)	Built-up Area (Sqm)	Remarks
Unit VI	Plot 765	GIDC Estate, Jhagadia	Jhagadia (GUJ)	Yashashvi Rasayan P Limited	35,681	12,086	Entered into a Asset Transfer Agreement dated 26 May 2015, transfer permission from GIDC pending. Presently operating under a Conducting Agreement dated 19 Feb 2016 with YashashviRasayan P Ltd



## ANNEXURE 2

The following are the terms of the compulsorily convertible preference shares (“CCPS”) to be issued to the equity shareholders of POL, pursuant to Clause 5.1 of this Scheme:

1. Each compulsorily convertible preference share shall be compulsorily and mandatorily convertible into one equity share of FSL, having a face value of Rs. 10 each.
2. Each CCPS would be entitled to a dividend of 0.0001% per annum on a non-cumulative basis, such that dividend shall only be due and payable at the time of conversion of CCPS into equity shares.
3. CCPS may be converted into equity shares of FSL at any time by the holder of the CCPS, in one or more tranches, prior to the expiry of 18 (eighteen months) from the date of allotment of the CCPS.
4. CCPS shall carry no voting rights except in accordance with the provisions of the Act.
5. CCPS shall be converted into equity shares in accordance with the provisions of applicable law, including minimum public shareholding requirements.
6. CCPS shall be unlisted and equity shares issued and allotted pursuant to conversion of CCPS shall be listed on the stock exchanges where the shares of FSL are listed, i.e. the BSE Limited and the National Stock Exchange of India Limited, respectively.
7. Equity shares issued and allotted by FSL in terms upon conversion shall rank *paripassu* in all respects including dividend with the existing equity shares of FSL.



DCS/AMAL/KS/604/2016-17  
November 10, 2016

The Company Secretary  
Adi Finechem Ltd.  
1st Floor, 2, Sigma Corporates, Behind HOF Living,  
Sindhu Bhavan Road, Off. S G Road, Ahmedabad,  
Gujarat, 380059

**Sub: Observation letter regarding the Draft Scheme of Arrangement between Adi Finechem Limited, Adi Aromatic Limited (AAL) and Privi Organics Limited.**

We are in receipt of Draft Scheme of Amalgamation between between Adi Finechem Limited, Adi Aromatic Limited (AAL) and Privi Organics Limited.

As required under SEBI Circular No. CIR/CFD/CMD/16/2016 dated November 30, 2016; SEBI vide its letter dated November 9, 2016, has Inter alia given the following comment(s) on the draft scheme of arrangement:

- *"Company to ensure that information submitted vide email dated November 02, 2016 ensuring defence of any legal proceedings initiated against Adi Aromatics Limited in relation to the implementation of this Scheme, is displayed from the date of receipt of this letter on the website of the listed company along with various documents submitted pursuant to the Circular. Furthermore, the draft scheme shall be accordingly amended."*
- *"Company to ensure that information submitted vide email dated November 03, 2016 with regard to an undertaking pertaining to Minimum Public Shareholding, is displayed from the date of receipt of this letter on the website of the listed company along with various documents submitted pursuant to the Circular."*
- *"Company shall duly comply with various provisions of the Circulars."*

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India  
T: +91 22 2272 1234/33 E: corp.com@mseindia.com www.bseindia.com  
Corporate Identity Number : U87120MH2005PLC155188



The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
Nitin Pujari  
Manager



Ref: NSE/LIST/93456

November 11, 2016

The Company Secretary  
Adi Finechem Limited  
324, D.N. Road,  
Fort  
Mumbai-400001.

**Kind Attn.: Mr. Rajen N. Jhaveri**

Dear Sir,

**Sub: Observation letter for draft Scheme of Arrangement between Privi Organics Limited and Adi Finechem Limited and Adi Aromatic Limited and their respective shareholders and creditors.**

This has reference to draft Scheme of Arrangement between Privi Organics Limited and Adi Finechem Limited and Adi Aromatic Limited and their respective shareholders and creditors submitted to NSE vide your letter dated July 27, 2016.

Based on our letter reference no Ref: NSE/LIST/88920 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated November 09, 2016, has given following comments on the draft Scheme of Arrangement:

*"1. Company to ensure that information submitted by the Company, Adi Finechem Limited vide email dated November 02, 2016 with regard to Adi Finechem Limited ensuring defence of any legal proceedings initiated against Adi Aromatics Limited in relation to the implementation of this Scheme, is displayed from the date of receipt of this letter on the websites of the listed company along with various documents submitted pursuant to the Circular. Furthermore, the draft scheme shall be accordingly amended.*

*2. Company to ensure that information submitted vide email dated November 03, 2016 with regard to an undertaking pertaining to Minimum Public Shareholding, is displayed from the date of receipt of this letter on the websites of the listed company along with various documents submitted pursuant to the Circular.*

*3. The company shall duly comply with various provisions of the Circular."*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from November 11, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

1.



- a) Copy of Scheme as approved by the High Court;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme,
- d) Status of compliance with the Observation Letter/s of the stock exchanges.
- e) The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f) Complaints Report as per SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,  
For National Stock Exchange of India Limited

Divya Poojari  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL-  
[http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

This Document is Digitally Signed

2.



Signer : Divya Babu Poojari  
Date : Fri, Nov 11, 2016 13:22:10 GMT+05:30  
Location: NSE



ADI FINECHEM

Date : September 22, 2016

## ADI FINECHEM LIMITED

Regd. Office : 1<sup>st</sup> Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road,  
Off S.G. Road, Ahmedabad - 380 059, INDIA.

Phone : (079) 32908752 / 29701675 E-mail : info@adifinechem.com

CIN : L15140GJ1985PLC007845 Website : www.adifinechem.com

**BSE Limited,**  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai- 400001

Kind Attn. : Ms. Kruthika

Ourselves. : BSE Code : 530117 / NSE Symbol - ADI

Ref. : Our application under Regulation 37 of SEBI (LODR) Regulations, 2015

Madam,

With reference to above, we give here below the status of 'Complaints' received by us

### Part A

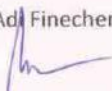
Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NOT APPLICABLE
5.	Number of complaints pending	NIL

### Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NOT APPLICABLE		

Thanking you,

For Ad Finechem Limited,

  
(Rajen Jhaveri)

Chief Financial Officer and Company Secretary

Works : 253/P, Chekhala, Sanand - Kadi Highway, Tal. : Sanand, Dist.: Ahmedabad 382 115. INDIA.  
Ph. (02717) 294375, 325393, 324390 E-mail : adi@adifinechem.com



ADI FINECHEM

Date : September 30, 2016

## ADI FINECHEM LIMITED

Regd. Office : 1<sup>st</sup> Floor, 2, Sigma Corporates, Behind HOF, Sindhu Bhavan Road,  
Off S.G. Road, Ahmedabad - 380 059. INDIA.

Phone : (079) 32908752 / 29701675 E-mail : info@adifinechem.com  
CIN : L15140GJ1985PLC007845 Website : www.adifinechem.com

**National Stock Exchange of India Limited,**  
Exchange Plaza, Bandra Kurla Complex  
Mumbai- 400051

Kind Attn. : Mr. Nikhil Jain

Ourselves. : NSE Symbol - ADI

Ref. : Our application under Regulation 37 of SEBI (LODR) Regulations, 2015

Dear Sir,

With reference to above, we give here below the status of 'Complaints' received by us

### Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NOT APPLICABLE
5.	Number of complaints pending	NIL

### Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	NOT APPLICABLE		

Thanking you,

For Adifinechem Limited,

(Rajen Jhaveri)

Chief Financial Officer and Company Secretary



July 12<sup>th</sup>, 2016

To,

The Board of Directors,  
ADI Finechem Limited,  
1st Floor, 2, Sigma Corporates,  
Behind HOF Living,  
Sindhu Bhavan Road, Off. S.G.Road,  
Ahmedabad 380 059  
Gujarat, India

**Sub: Fairness opinion on the Fair Share Exchange Ratio for the proposed demerger of the aroma chemicals business of Privi Organics Limited into ADI Aromatic Limited**

This opinion is issued pursuant to the terms of our engagement with ADI Finechem Limited ("AFL") under which AFL has requested ICICI Securities ("I-Sec") to provide a fairness opinion on the fair share exchange ratio for the demerger of the aroma chemicals business of Privi Organics Limited ("POL") into ADI Aromatic Limited ("AAL"), a wholly owned subsidiary of ADI Finechem Limited.

**BACKGROUND, PURPOSE AND USE OF THIS REPORT**

We understand that the management of AFL, AAL and POL (Referred to as the "companies") propose to demerge the aroma chemicals business of POL into AAL, a wholly owned subsidiary of AFL, pursuant to a Scheme of Demerger ("Proposed Scheme"). We understand that, In consideration of the said demerger, equity shares and compulsorily convertible preference shares of AFL will be issued to the shareholders of POL.

For the aforesaid purpose, the management has appointed Walker, Chandio & Co LLP (referred as "Valuers") to prepare a report on the Fair Share Exchange Ratio for distribution of AFL shares to the shareholders of POL, to be placed before the Board of Directors of the Companies, as per the requirement of SEBI Circular CIR/CFD/CMD/16/2015 dated 30 November 2015.

In this connection we have been requested by AFL to render our professional services by way of a fairness opinion on the Fair Share Exchange Ratio to the Board of Directors of AFL as to whether the Fair Share Exchange Ratio, as recommended by the Valuers, in their report dated July 12, 2016, is fair and reasonable.

Member of National Stock Exchange of India Ltd & Bombay Stock Exchange Ltd  
Capital Market : NSE Regn No INB 230773037, BSE Regn No INB 011286954  
Futures & Options : NSE Regn No INF 230773037, BSE Regn No INF 010773035  
Currency Derivatives : NSE Regn No INE 230773037  
CIN No.: U67120MH1995PLC066241

**ICICI Securities Limited**  
**Registered Office (Institutional):**  
ICICI Centre, H. T. Parekh Marg,  
Churchgate, Mumbai 400 020, India.  
Tel (91 22) 2288 2450/70  
Fax (91 22) 2282 6580

**Corporate Office (Retail):**  
Shree Sawan Knowledge Park, Plot No. D-507,  
TTC Ind. Area, M.I.D.C. Turbhe, Navi Mumbai - 400 785  
Tel (91 22) 4070 1000  
Fax (91 22) 4070 1022

**Name of Compliance Officer (Broking Operations) :** Ms. Mamta Jayaram Shetty  
**Email Address:** complianceofficer@icicisecurities.com / Tel (91 22) 4070 1000  
**Website Address:** www.icicisecurities.com / www.icicidirect.com

This report is intended only for the sole use and information of the Companies, and only in connection with the Proposed Scheme including for the purpose of obtaining judicial and regulatory approvals for the Proposed Scheme. We are not responsible in any way to any other person / party for any decision of such person or party based on this report. Any person / party intending to provide finance / invest in the shares / business of any of the Companies or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Proposed Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant High Court, stock exchanges, advisors of the Companies in relation to the Proposed Scheme, as well as with the statutory authorities.

As per Valuers' recommendation, under the Proposed Scheme, the holders of outstanding equity shares of POL will receive 27 (Twenty Seven) fully paid up equity shares of AFL with the face value of Rs. 10 (Ten) and 27 (Twenty Seven) fully paid up compulsorily convertible preference shares ("CCPS") of AFL with the face value of Rs. 10 each for every 40 (Forty) fully paid up equity shares of POL with the face value of Rs. 10 (Ten) each ("Fair Share Exchange Ratio").

We understand that, each CCPS would be entitled to a dividend of 0.0001% per annum on a non-cumulative basis, such that dividend shall only be due and payable at the time of conversion of CCPS into equity shares. The CCPS can be converted into equity shares of AFL at any time by the holder of the CCPS, in one or more tranches, prior to the expiry of 18 (eighteen months) from the date of allotment of the CCPS. Equity shares issued and allotted by AFL in terms upon conversion shall rank *pari passu* in all respects including dividend with the existing equity of AFL.

#### **SOURCES OF INFORMATION**

In arriving at our opinion set forth below, we have relied on:

- (a) Audited profit and loss statement and balance sheet of AFL for the year ended 31<sup>st</sup> March 2015 and 2016;
- (b) Audited profit and loss statement and balance sheet of POL for the year ended 31<sup>st</sup> March 2015;
- (c) Un-Audited profit and loss statement and balance sheet of POL for the year ended 31<sup>st</sup> March 2016;
- (d) Financial projections in relation to AFL for the period from fiscal year ending 31<sup>st</sup> March 2017 to 2021;
- (e) Financial projections in relation to POL for the period from fiscal year ending 31<sup>st</sup> March 2017 to 2021;
- (f) Equity share trading data of AFL from Bloomberg
- (g) Draft Scheme of Demerger;
- (h) Key Terms of the Compulsorily Convertible Preference Shares
- (i) Discussions (including oral) with management of Companies regarding the Proposed Scheme, current operations, future plans, capital expenditure, etc.

- (j) Discussions (including oral) and documents as provided by the Valuers for purpose of this engagement
- (k) Other relevant information and documents for the purpose of this engagement

#### **SCOPE LIMITATIONS**

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Companies including the working results of the Companies or its businesses referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Fair Share Exchange Ratio for the Proposed Scheme. It may not be valid for any other purpose or if provided on behalf of any other entity.

Our analysis and results are also specific to the date of this report and based on information as at 11 July, 2016. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion, on the Fair Share Exchange Ratio for the Proposed Scheme, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the Proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Companies without detailed inquiry. With respect to the financial forecasts we have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management as to the future financial performance. Also, we have been given to understand by the management of the respective Companies that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Companies and their impact on the present exercise.

We express no opinion whatever and make no recommendation at all to AFL, AAL and/or POL underlying its decision to effect the Proposed Scheme or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity



shares of AFL will trade following the announcement of the Proposed Scheme or as to the financial performance of the Companies following the consummation of the Proposed Scheme.

No investigation of the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not be construed as our opining or certifying the compliance of the Proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Proposed Scheme.

We have not conducted or provided an analysis of due diligence or appraisal of the assets and liabilities of the Companies and have wholly relied on information provided by the Companies and/or Valuers in that regard.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Scheme.

#### **RATIONALE & CONCLUSION**

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the proposed Fair Share Exchange Ratio as recommended by Valuers, which forms the basis for the Proposed Scheme is fair and reasonable.

Yours faithfully,  
**For ICICI Securities Limited,**



**Sumit Bagri**  
Vice President  
Investment Banking  
ICICI Securities  
Mumbai

Date: July 12, 2016



# FAIRCHEM SPECIALITY LIMITED

(Formerly known as **ADI FINECHEM LIMITED**)

**Regd. Office:** 324, Dr. D.N. Road, Fort, Mumbai - 400 001, INDIA  
**Corporate Office:** 1st Floor, 2, Sigma Corporates, B/h H.O.F. Living, Sindhu Bhavan Road, Off. S. G. Road, Ahmedabad-380 059. Gujarat, India  
**Ph.:** (079) 29701675 Email: info@fairchem.in  
**Website:** http://www.fairchem.in **CIN:** L15140MH1985PLC286828

## POSTAL BALLOT FORM

Postal Ballot Form No.

1. Name and Registered Address of the Sole / First Named Member (IN BLOCK LETTER)	
2. Name(s) of the Joint Member(s) if any (IN BLOCK LETTERS)	
3. Registered Folio Number / DP ID No / Client ID No. (Applicable to investors holding shares in dematerialized form)	
4. Number of Equity Share(s) held	
5. I / We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot for the business stated in the Notice of the Company dated 20th December, 2016 by recording my/our assent or dissent to the said Resolution by placing the tick (✓) mark at the appropriate box below:	

Item No.	Descriptions	No. of Equity Share(s) for Which Votes Cast	I/We assent to the Special Resolution (For)	I/We dissent to the Special Resolution (Against)
1.	To approve the Scheme of Arrangement between Privi Organics Limited, Demerged Company and Fairchem Speciality Limited,(Formerly, Adi Finechem Limited) 1 <sup>st</sup> Resulting Company and Adi Aromatic Limited, 2nd Resulting Company and their respective shareholders and creditors under section 391 & 394 read with sections 100 to 103 of the Companies Act, 1956; and section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 to the extent notified.			

**Place :**

**Date :**

\_\_\_\_\_  
Signature of the Member

### ELECTRONIC VOTING

The e-voting facility is available at the link <http://www.evotingindia.com>. The e-voting particulars are set out as follows:

EVSN (Electronic Voting Sequence Number)	User ID	Your PAN / Sequence No.
161221002		

- Please send your postal ballot form in the envelope enclosed herewith.
- Please read the instructions printed overleaf carefully before exercising your vote.
- Last date for receipt of Postal Ballot Forms by Scrutinizer is Sunday, January 22, 2017.

**The e-voting facility will be available during the following voting period**

Commencement of e-voting	End of e-voting
December 24, 2016 at 09.00 A.M. IST	January 22, 2017 at 05.00 P.M. IST

CCM

## INSTRUCTIONS FOR VOTING IN PHYSICAL FORM

1. The Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013 setting out material facts has been set out above.
2. Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014, the assent or dissent of the Members in respect of the Resolution contained in the Postal Ballot Notice dated 20<sup>th</sup> December 2016 is being determined through Postal Ballot including facility of E-voting through CDSL platform.
3. The Board has appointed Mr. Uday Dave of M/s. Parikh Dave & Associates, Practicing Company Secretaries (Membership No. FCS: 6545) as the Scrutinizer for the purpose of conducting business through Postal Ballot.
4. A member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it directly to the Scrutinizer in the attached preprinted self-addressed envelope. No postage is required to be paid by the Shareholder as the prepaid self-addressed postal envelope is enclosed. Envelope containing Postal Ballots Forms, if deposited with the Company in person or, if sent by courier/ registered post at the expense of the registered Shareholder, shall also be accepted by the Company.
5. Assent or dissent to the proposed resolution may be recorded by placing a tick mark (✓) in the appropriate column. Postal Ballot Form bearing tick mark (✓) in both the column will render the form invalid.
6. Any incomplete, unsigned, incorrectly completed, incorrectly ticked, defaced, torn, mutilated, over-written, wrongly signed Postal Ballot Form will be rejected. The Postal Ballot shall not be exercised by a proxy.
7. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours 5:00 P.M. on Sunday, 22<sup>nd</sup> January, 2017. Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.
8. This form should be completed and signed by the member as per the specimen signatures registered with the Company. In case of joint holdings, this form should be completed and signed (as per the Specimen Signature registered with the Company) by first named Shareholder and in his absence, by the next named joint holder. In case the Form is signed by persons other than individual members, this form should be signed by an authorized signatory whose signature is already registered with the Company/Depository Participant.
9. In case of shares held by Companies, Trust, Societies etc., duly completed Postal Ballot Form should also be accompanied by a certified copy of the Board Resolution/Other Authority together with the attested specimen signatures of the duly authorized person exercising the voting by Postal Ballot.
10. If any extraneous paper is found in such envelop the same would not be considered by the Scrutinizer and would be destroyed.
11. There will be one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint holders.
12. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
13. The Scrutinizer shall submit his report to the Chairman of the Company or in his absence to the Managing Director or in his absence to Chief Financial Officer and Company Secretary of the Company after completion of the scrutiny of the postal ballots including votes casted electronically. The result of the voting on the resolutions will be announced on or before 25<sup>th</sup> January 2017 and displayed at the Registered Office of the Company and also communicated to the stock exchanges and shall also be posted on the website of the Company at [www.fairchem.in](http://www.fairchem.in).

**E-VOTING – The Company is pleased to provide e-voting facility as an alternative for members of the Company to enable them to cast their vote electronically instead of through physical postal ballot. In case a member has voted through e-voting facility, he/she need not send the physical postal ballot form. In case a member votes through e-voting facility as well as sends his/her vote through physical vote, the votes cast through e-voting shall only be considered and the voting through physical postal ballot shall not be considered by the scrutinizer. Members are requested to refer to the Postal Ballot Notice and Explanatory Statement along with notes for detailed instructions with respect to electronic voting.**