

**SCHEME OF AMALGAMATION**

**UNDER SECTION 230 -232 OF THE COMPANIES ACT, 2013**

**BETWEEN**

**EQUAL COMMODEAL PRIVATE LIMITED  
(TRANSFEROR COMPANY)**

**AND**

**HIMADRI SPECIALITY CHEMICAL LIMITED  
(TRANSFeree COMPANY)**

**Certified True Copy**

For Himadri Speciality Chemical Ltd  
Company Secretary  
FCS: 8148

12/9/2018



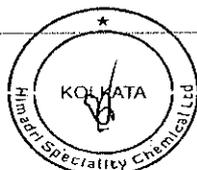
## PART I: PREAMBLE

- 1.1. This Scheme of Merger (hereinafter referred to as the "Scheme") is presented under sections 230 – 232 of the Companies Act, 2013 ("the Act") and such other provisions of law as may be applicable and provides for the merger of Equal Commodeal Private Limited ("ECPL") hereinafter referred to as the "Transferor Company" with Himadri Speciality Chemical Limited ("HSCL" or the "Transferee Company").
- 1.2. ECPL ("Transferor Company") is an unlisted Private Company incorporated under the provisions of the Companies Act, 1956 on March 09, 2011 having CIN:U51909WB2011PTC160507 in the State of West Bengal having its Registered Office at 72/4, Shambhunath Pandit Street, Kolkata – 700026, West Bengal.
- 1.3. ECPL is a Wholly Owned Subsidiary (WOS) of HSCL. The main objects as its stated in its memorandum are as follows:

*a. To carry on, \*whether directly or through its subsidiary or joint venture companies, the business of trader, buyers, sellers retails, suppliers, commission agents, broker merchants, sub-agents, wholesaler's retailer's, indenting agents, stockists, distributors, dealers, buying, selling, marketing net marketing, whole selling consignor, supplying distributor, dealer of all types of readymade garments, lifestyle products, furnishings and to operate retail stores and also act as C&F agents, broker, franchisee for all types of business including readymade garments, forum and lifestyle products, homecare products and dealing in herbs, herbal products and natural derivates' for a enhancing mental power and physical strength, Preferable electronics & electrical goods, consumer goods, household goods Industrial Goods, Engineering goods, Electrical and Electronics products, Food articles, Sugar, Spices, Pulses, Agricultural products and its by products, non-conventional energy products. Hardware and stores, Plant and machinery, stores, spare parts and accessories commercials, natural and man-made fibre, clothes and fabrics, garments, synthetic and polythene products, laminated cloth jute and jute goods, packing materials, paper and paper products, plastics and plastic products, polythene and polythene products, Granules, Petro-Chemicals and petroleum products, \*Coke tar, tar by-products, any kind of by-products based on Coal Tar distillation including Naphthalene, SNF, battery Cell, Carbon Black and all types of advanced carbon materials, leather and leather products, Footwear rubber and rubber products, Carpets, plantation crops i.e. tea, cotton coffee, tobacco, vegetables and other eatables, milk and milk products, confectionaries, Ice-cream, dairy products, spices, pickles, kirana food products, marine products, sea foods, paper, sugar & molasses, medicines, drugs, pharmaceuticals, cosmetics goods, all kinds of cements, steels, zinc & alloys, scraps, minerals & materials, ore, petroleum products, industrial and other gases, alcohol, edible and non-edible oils & oil seeds, fats, soap, detergents, adhesive, Paint & varnishes, dyes & chemical fertilizers, manures, drugs & pesticides, acids, wood & wood Products, furnishing materials, building automobile parts & devices, electronic goods, Computers, Computer software & hardware, watches, novelties, bullion, precious stones, work of art, antiques, curious, jewelry.*

*b. To carry on the business or businesses of a holding and investment company, and to buy, underwrite and to invest in and acquire and hold shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms or body corporates or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or partnership firm or any other entity carrying out or proposing to carry out any activity whether in India or elsewhere in any manner.*

*c. To lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding*

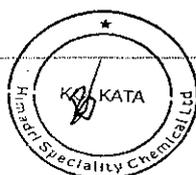


*company, subsidiary or associate company of, or any other company whether or not associated in any way with, the company), to enter into guarantees, contracts of indemnity and suretyship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or associate company of, or any other company associated in any way with, the company).*

1.4. HSCL is a public limited company listed with the stock exchanges, incorporated on July 28, 1987 under the provisions of the Companies Act, 1956 having CIN: L27106WB1987PLC042756 and having its registered office at 23A, Netaji Subhas Road, Kolkata – 700001, West Bengal.

1.5. HSCL is a manufacturer of carbon chemical and its by-products since its inception. HSCL is engaged in the distillation of Coal tar to manufacture Naphthalene, battery cell, carbon black and all types of advanced carbon materials etc. The main objects to be pursued by the Company on its incorporation as stated in the memorandum *inter-alia* are as follows:

- a. *To carry on the business of Manufacturers and processors of dealers in, exporters and importers of all grades, types, qualities, shapes, categories and description of alloy, tool and special steels, Including alloy constructional steel In carbon, manganese, nickel, chromium, nickel-chromium (NiCr), nickel-chromium molybdenum (Nicrob), chromium molybdenum corrosion resisting steels, stainless and heat resisting steels, free cutting steels, silicon manganese steels, spring steels, carbon and alloy tool and die steels, high speed steels, cold and hot working steels, amour steels, magnet steels, electrical steels, hot rolled and cold rolled grunion oriented electrical steels, all types of alloying materials required for manufacture of alloy, tool and special steels such as Ferro-silicon, Ferro-manganese, Ferro-vanadium, Ferro molybdenum, Ferro-tungsten, Ferrochrome, silicon-manganese, Ferro-vanadium, Ferromolybdenum, Ferro-tungsten, ferrochrome, silicon-manganese, silicon-calcium, nickel, copper, cobalt aluminum, baronatianium niobium, pig Iron, cast iron, scrap Iron, wrought Iron, mild steel castings and steel forgings in all the categories of steel described herein above, all types of refractory bricks and materials coke tar, and tar byproducts, ferrous and non-ferrous metals and products thereof, Ingots, Slabs, billets, sheets, sections angles, wires strips flats, rounds and as processor of metal, ferrous and non-ferrous, Into castings, forgings, rolling, re-rolling, galvanizing, drawing, extruding Including of finished or semi-finished goods. Agricultural equipment's, Automobile parts, Machine tools, other hand tools, jigs, fixtures, tine blades, tubes, pipes and to act as metal workers machines, iron & steel worker, smiths, metallurgists & buyers and sellers of all Items mentioned above and Hard wares and allied products.*
- b. *To carry on the business of iron founders, Civil and mechanical engineers, consulting engineers, project engineers, technical consultants, and manufacturers of agricultural, industrial, and other machinery, and tool bits, machine tool-makers, brass founders metal workers, boiler-maker, makers of locomotive and engines of every description, mill-Wright, machinists, iron and steel converters, smiths, woodworkers, builders, painters, chemists, metallurgists, electrical engineers, water supply engineers, gas makers, farmers, printers carriers and to buy, sale, design, specify, manufacture, fabricate, expel, repair convert, alter, let on hire and deal in machinery, implements, plants tool, tackles, instruments, rolling stock and hardware of all kinds, general fittings, accessories and appliances of all descriptions made from metal, alloy, glass or any other materials and any parts of such accessories or fittings and generally to carry on business as merchants, importers and exporters and to transact and carry on all kinds of agency business of the aforesaid products.*

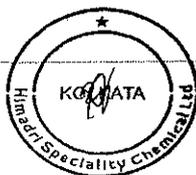


- c. *To carry on the business as dealers, owner's promoters, underwriters, developers, consultants, advisers, brokers, agents, lessors' contractors, investors, financiers, guarantors and nominators in any real or personal state including lands, mines, business, building, factories, mill, houses, cottages, shops, depots, warehouses, multistoried complexes, flats, roof rights, nomination rights, machinery, plant, stock-in-trade, mineral rights, concessions. Privileges, licenses, easement or interest in or with respect to any property for which purpose to acquire and purchase, take on lease tenancy or in exchange, hire or by other means obtained ownership and/or options over any freehold or other property for the said estate or Interest thereof any rights, privileges or easements over or in respect of any property, land or any building and to turn Into account, develop the same and dispose of or maintain the same and to build township, markets or other buildings or convenience thereon and to equip and maintain the same or any part thereof with all or any amenities or conveniences, drainage facility, electric, air-conditioning telegraphic, telephonic, television installations and to provide for the conveniences commonly provided in flats, suites and residential and business quarters, and to deal with the same in any manner whatsoever, and to build, take on lease and/or rent, purchase or acquire in any manner whatsoever and departments houses, flats, room, floors, huts, shops, roof rights or other accommodation and to let, lease out, assign nominate or dispose of the same on installment basis, hire purchase basis or by outright sale whether by private treaty or by auction in or any other mode of disposition all or any integral part thereof and for the purpose to lend or advance money with or without security and to arrange, negotiate or guarantee loan and to lend money to and guarantee the performance of contracts and obligations by any person or company and to the payment of interest thereon.*
- d. *To carry on the business of rendering services and development of software packages for Industrial, Commercial, Public Utility, Entertainment, Personal, Domestic, Training, Education, Medical, Defense and all other purpose and to establish and run Data Processing Centers, Computers, Hardware and Software Centre, Multimedia, Computer-graphic, Architectural designs, CAD/CAM and Geographical information System Centre, E-commerce centers, website design, cyber network and all such activities relating to Information Technology (IT) that are normally offered by such center to commercial, industrial, business, public utilities, advertisements, artistic, cultural, medical and other types to end users In India or any part of the world and to act as producers, assemblers, repairs, maintenance agents, Importers, Exporters, Trades, Buyers, Sellers, Commission Agents, Stockiest, Hirers, Designers, Royalty holders, Contractors for design, services, Public Distribution and dealers in all types of software, Hardware, Computer Products and allied accessories and services connected therewith including website designing Information technology having development of Software packages and programs.*
- e. *To promote, generate acquire by purchase in bulk, develop distribute and accumulate Power by wind, solar, hydro, thermal atomic, gas, ocean energy geo thermal or any other form of energy both conventional and non-conventional, and to produce transmit, distribute, sell and supply power for captive consumption and / or for other uses and to own, acquire and operate coal mines in India or abroad and to construct, establish and setting of power stations and power projects.*
- f. *To start forward and backward integration projects for manufacturing any kind of by-Products based on Coal tar and distillation including Naphthalene, battery cell, carbon black and all types of advanced carbon materials.*

**1.6.** This Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and the consequent treatment of assets and liabilities of respective companies in the manner provided for in the Scheme.



- 1.7. As on 31 March 2018, the entire issued, subscribed and paid up capital of the Transferor Company is held by the Transferee Company.
- 1.8. The Transferee Company as the parent would like to integrate and consolidate its subsidiary. The circumstances that justify the proposed scheme and its main benefits are *inter-alia*, summarised as under:
- 1.8.1. The Transferee Company would be able to operate more effectively with a larger asset base available resulting into better turnover and profits which if not merged, would remain idle with the Transferor Company which is not able to carry on any business effectively.
- 1.8.2. To achieve greater integration and greater financial strength and flexibility, to maximise overall shareholder value.
- 1.8.3. To achieve cost savings from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements and rationalization of administrative expenses.
- 1.8.4. Some facilities such as manpower, office space and other infrastructure could be better utilized by the Transferee Company and duplication of facilities could be avoided resulting in economic, efficient and optimum use of facilities to the advantage of the Transferee Company and achieve cost savings from more focussed operational efforts, rationalisation, standardisation and simplification of business processes.
- 1.8.5. The merger will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried on by the Transferor Company and the Transferee Company.
- 1.8.6. The merger will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, organisational efficiency and optimal utilisation of resources.
- 1.8.7. AAT Global Limited, currently a step-down subsidiary of HSCL, will become direct subsidiary, leading to improvement in corporate governance and control over the said Company.
- 1.8.8. The banks, creditors and financial institutions, if any, are in no manner affected adversely by the proposed merger as their security and asset cover will be maintained.
- 1.9. The merger of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date (*as defined herein below*).
- 1.10. The Scheme is divided into the following parts:
- (a) Part I is the Preamble;
  - (b) Part II, which contains the definitions;
  - (c) Part III, which deals with the share capital of the Transferee Company and the Transferor Company;
  - (d) Part IV, which deals with the transfer and vesting of the undertakings of the Transferor Company with the Transferee Company;



- (e) Part V, which deals with accounting treatment of merger in the books of the Transferee Company;
- (f) Part VI, which deals with the dissolution of the Transferor Company and general terms and conditions that would be applicable to the Scheme.

The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

## PART II: DEFINITIONS

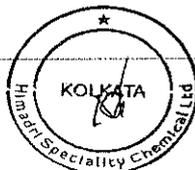
### 2.1. Definitions

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

- (a) **“Act”** - shall mean (a) the Companies Act, 1956, as amended from time to time, for the time being in force; and/ or (b) the Companies Act, 2013, as the case may be including any statutory modification or re-enactment thereof for the time being in force; the terms **“Act”** and **“Section”** shall be construed accordingly.
- (b) **“Applicable Law”** means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other Governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any Governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.
- (c) **“Appointed Date”** means the date from which this Scheme becomes operative, viz., April 1, 2018 or such other date as the NCLT or such other authority having powers to sanction the Scheme under the Applicable law, may direct.
- (d) **“Board of Directors”** “in relation to the Transferor Company and/or the Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.
- (e) **“Clause”** means a clause in this Scheme.
- (f) **“Closing Date/Effective Date”** means the date or the dates on which the certified copy of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies by the Transferor and the Transferee Company, as may be applicable.
- (g) Reference in this Scheme of the date of ‘coming into effect of this Scheme’ or ‘this Scheme becoming effective’ or ‘upon this Scheme becoming effective’ or ‘effectiveness of this Scheme’ shall mean the Closing/Effective Date.
- (h) **“Governmental Authority”** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India.
- (i) **“NCLT”** or **“Tribunal”** means the Hon’ble National Company Law Tribunal under the Companies Act, 2013
- (j) **“Part”** means a part of this Scheme.

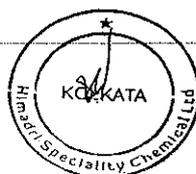


- (k) "Party" means a party to this Scheme and "Parties" shall be construed accordingly.
- (l) "Scheme of Merger" or "This Scheme" or "The Scheme" or "Scheme" means this scheme of merger, in its present form or with any modification(s) as approved or imposed by the NCLT or any other authority as may be authorized for approval of the Scheme.
- (m) "Transferee Company" means Himadri Speciality Chemical Limited, a company incorporated on 28<sup>th</sup> day of July 1987 under the provisions of the Companies Act, 1956 having CIN: L27106WB1987PLC042756 and having its registered office at 23A, Netaji Subhas Road, 8<sup>th</sup> Floor, Kolkata- 700 001, West Bengal.
- (n) "Transferor Company" means Equal Commodore Private Limited, a company incorporated under the provisions of the Companies Act, 1956 on March 9, 2011 having CIN: U51909WB2011PTC160507 in the State of West Bengal having its Registered Office at 72/4, Shambhunath Pandit Street, Kolkata – 700026, West Bengal.
- (o) "Undertaking of Transferor Company" or "Undertaking" shall include (without limitation) their entire business and:
- (i) any and all their assets, whether movable or immovable, whether present or future, whether tangible or intangible, all rights, title, interests, covenants, undertakings, including continuing rights, title and interests in connection with the land and the buildings thereon, whether leasehold or otherwise, plant and machinery, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;
  - (ii) any and all investments (including shares and other securities), income by whatever name called, loans and advances, including accrued interest thereon;
  - (iii) any and all permits, quotas, rights, entitlements, industrial and other licenses, approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, trade names, trademarks, service marks, copyrights, domain names, sales tax credits, income tax credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements, applications and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Transferor Company;
  - (iv) any and all debts, liabilities, contingent liabilities, duties and obligations, present or future, whether secured or unsecured, of the Transferor Company;
  - (v) all contracts including but not restricted to leave & licence agreements, term sheets, lease deeds, memorandum of understandings, business/asset purchase agreements, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings whether written or otherwise, lease rights, deeds, bonds, other agreements, applications and instruments of whatsoever nature to which any of the Transferor Company is a party and having effect immediately before the Effective Date, shall remain in full force and effect in favour of and/ or against the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto;



- (vi) any and all employees, who are on the pay roll of the Transferor Company, including those engaged at their respective offices and branches, if any, at their current terms and conditions;
- (vii) any pending suit/appeal or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against any of the Transferor Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or because of the provisions contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, if this Scheme had not been made;
- (viii) all the tax liabilities under the applicable laws/ regulations dealing with taxes/duties /levies ("Tax Laws") allocable or related to the business of the Transferor Company shall be transferred to the Transferee Company; and
- (ix) any refunds/ credits/ claims under the Tax Laws due to the Transferor Company (including but not limited to advance tax, self-assessment tax, regular assessment tax and service tax credits) shall also belong to and be availed of or received by the Transferee Company.
- (x) since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations, shall stand vested by the order of sanction of the NCLT or any other authority as may be authorized for approval of the Scheme in the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the ~~statutory authorities who shall take them on file~~, pursuant to the vesting orders of the sanctioning courts.
- (xi) all necessary records, files, papers, computer programmes, websites, domain names, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Transferor Company;
- (xii) any and all advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, in connection with or relating to the Transferor Company;

Without prejudice to the generality of the foregoing mentioned hereinabove, the term "Undertaking of Transferor Company" shall include the entire business which is being carried out under the name and style of the Transferor Company as the case may be, and shall include the advantages of whatsoever nature, agreements, allotments, approvals, arrangements, authorizations, benefits, capital work-in-progress, concessions, rights and assets, industrial and intellectual property rights of any nature whatsoever and licenses in respect thereof, intangibles, investments, leasehold rights, liberties, patents, permits, powers of every kind, nature and description whatsoever, privileges, provision funds, quota rights, registration, reserves, and all properties, movable and immovable, real, corporeal or incorporeal, wheresoever situated, right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment's, tenancy rights, titles, trademarks, trade names, all other utilities held by Transferor



Company or to which Transferor Company is entitled to on the Appointed Date and cash and bank balances, all earnest moneys and/or deposits including security deposits paid by Transferor Company and all other interest wheresoever situated, belonging to or in the ownership, power or possession of or in the control of or vested in or granted in favor of or enjoyed by or arising to Transferor Company.

- 2.2. The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning as prescribed to them under the Act and other applicable laws, rules, regulations, by-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.
- 2.3. Any statutory modification or amendment to the Act or Applicable Law to the Scheme shall not have any effect unless retroactive application of such modification or amendment can be established or is explicit in the Act itself.
- 2.4. For the purpose, of representing and sanctioning of the Scheme the applicable authority shall be the NCLT, or such other authority as may have powers to sanction the Scheme under the Applicable Law.

### PART III: SHARE CAPITAL

- 3.1. The Share Capital of the Transferee Company as on March 31, 2018, is as under:

	In Rs.
<b>Authorized Share Capital</b>	<b>700,000,000</b>
700,00,000 Equity Shares of Re.1 /- each	700,000,000
<b>Issued, Subscribed and Paid-up Share Capital</b>	<b>418,407,867</b>
418,407,867 Equity Shares of Re.1 /- each	418,407,867

- 3.2. The Share Capital of the Transferor Company as on March 31, 2018, is as under:

	In Rs
<b>Authorised Share Capital</b>	<b>1,00,000</b>
10,000 Equity shares of Rs.10 /- each	1,00,000
<b>Issued, Subscribed and Paid-up Capital, in cash</b>	<b>1,00,000</b>
10,000 Equity shares of Rs.10 /- each	1,00,000

Since Transferor Company is a wholly owned subsidiary of the Transferee Company, the entire issued share capital of the Transferor Company held by the Transferee Company and/or its nominees shall stand cancelled on the Scheme being effective on the Closing Date, however, with effect from the Appointed date.

### PART IV: AMALGAMATION, TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

- 4.1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of the Transferor Company, in terms of Section 230-232 and applicable provisions, if any, of the Companies Act 2013, and pursuant to the orders of the NCLT, Kolkata or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or

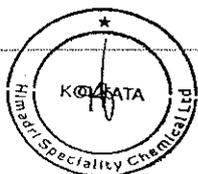


thing, stand transferred and vested in and/ or deemed to be transferred to and vested in Transferee Company as a going concern so as to become the undertaking(s), properties and liabilities of Transferee Company.

- 4.2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Company shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:

#### 4.3. Transfer of Assets

- (i) With effect from the Appointed Date upon the Scheme becoming effective all memberships, licenses, franchises, rights, privileges, permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, trade mark licenses including application for registration of trade mark, patents, copyrights and their right to use available to Transferor Company as on appointed date or any which may be taken after the appointed date but till the effective date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
- (ii) With effect from the Appointed Date upon the Scheme becoming effective, all Certificate of Registrations as available with Transferor Company as on Appointed Date or any which may be taken by Transferor Company after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
- (iii) With effect from the appointed date and upon the scheme becoming effective all the assets of the Transferor Company as are movable in nature including, but not limited to, stock of goods, raw materials available in the market/ depots/ Godowns/ factories, sundry debtors investments, plants and equipments, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/ liabilities, CEBVAT/ VAT credits/ GST credits, 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 or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all other assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
- (iv) With effect from the Appointed Date and upon the Scheme becoming effective, all incorporeal properties of Transferor Company as on Appointed Date or any which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.
- (v) With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or

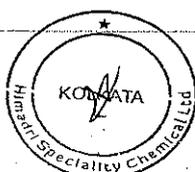


payment of any further fee, charge or securities either by the Transferor Company or Transferee Company.

- (vi) With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and the Scheme becoming effective in accordance with the terms thereof.
- (vii) With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Company to which the Transferor Company is the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company has been a party or beneficiary or oblige thereto.
- (viii) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses, including those relating to trademarks, tenancies, patents, copyrights, privileges software, power, facilities of every kind and description of whatsoever nature in relation to Transferor Company to which the Transferor Company is the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be enforceable as fully and effectually as if, instead of Transferor Company, Transferee Company has been a party or beneficiary or oblige thereto.
- (ix) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Company or granted to Transferor Company shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favour of Transferee Company upon the vesting of Transferor Company business and undertakings pursuant to this scheme. The benefit of all statutory and regulatory permissions, licenses, approvals, and consents, including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Company shall vest in and become available to Transferee Company pursuant to this scheme.
- (x) With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Company shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Company, without any further instrument, deed or act or any further payment of fee, charge or securities.

#### 4.4. Transfer of Liabilities

- (i) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheet of Transferor Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company.



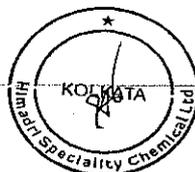
- (ii) Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by Transferor Company after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.
- (iii) The transfer and vesting of the entire business and undertaking of Transferor Company as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or nay part thereof of Transferor Company as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Company vested in Transferee Company pursuant to the scheme. Provided always that this scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Company which shall vest in Transferee Company by virtue of the amalgamation of Transferor Company with Transferee Company and Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.

- (iv) Transferee Company will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Company to which Transferor Company is parties, in order to give formal effect to the above provisions. ~~Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to~~ execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of Transferor Company.
- (v) Loans or other obligations, if any, due either between Transferee Company and Transferor Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

#### 4.5. Legal Proceedings

- (i) With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Company. Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Company pending in any court or before any authority, judicial, quasi-judicial or administrative, any adjudicating authority and/or arising after the Appointed date and relating to Transferor Company or its respective property, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Company; and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company.



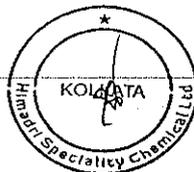
- (ii) If any suit, appeal or other proceedings of whatever nature by or against Transferor Company be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Company's business and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company as if this Scheme had not been made.

#### 4.6. Employee Matters

On occurrence of the Effective Date, all persons that were employed by Transferor Company immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Company with any union/employee thereof. With regard to Provident fund, Gratuity fund, Superannuation fund or any other fund or obligation created or existing for the benefit of such employees of Transferor Company upon occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Company shall stand substituted for Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident fund, Gratuity fund, Superannuation fund or obligations, if any, created by Transferor Company for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the effective date, Transferee Company will make the necessary contributions for such transferred employees of Transferor Company and deposit the same in Provident fund, Gratuity fund, Superannuation fund or obligations, where applicable. It is the aim and intent of the scheme that all rights, duties, ~~powers and obligations of Transferor Company in relation to such schemes or funds shall~~ become those of Transferee Company.

#### 4.7. Taxation and Other Matters

- (i) With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Company, and all expenditure or losses arising or incurred by Transferor Company shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/ service tax/ excise, etc. and to claim refund/ credits/ and/ or set off all amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Company which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the sales tax returns and to claim refunds/ credits are expressly reserved in favor of Transferee Company.
- (ii) Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and/ or set off of all amounts paid by the Transferor Company or the Transferee Company under the relevant laws relating to Income Tax, Value Added Tax, Service Tax, Central Sales Tax, Goods and Service

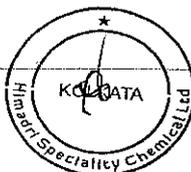


Tax or any other tax, as may be required consequent to the implementation of the Scheme.

- (iii) Transferee Company shall be entitled to revise its all Statutory returns relating to Direct taxes like Income Tax and Wealth Tax and to claim refunds/ advance tax credits and/ or set off the tax liabilities of Transferor Company under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advances tax credits and/ or set off the tax liabilities is expressly granted.
- (iv) It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Company including all or any refunds of the claims/ TDS Certificates shall be treated as the tax liability or refunds, advance tax credits and/ or set off the tax liabilities is expressly granted.
- (v) From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Company in the relevant bank's/ DP's books and records, the Transferee Company shall be entitled to operate the bank/ demat accounts of Transferor Company in their existing names.
- (vi) Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Company shall stand transferred by the order of the NCLT to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning NCLT.

#### **4.8. Conduct of Business:**

- (i) With effect from the Appointed Date and till the scheme come into effect:
  - (a) Transferor Company shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor Company and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.
  - (b) Transferor Company shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto, and Transferor Company shall not alter or substantially expand their businesses except with the occurrence of Transferee Company.
  - (c) Transferor Company shall not, without the written occurrence of Transferee Company, alienate charge or encumber any of their properties except in the ordinary course of business or pursuant to any pre-existing obligations undertaken prior to the date of acceptance of the scheme by the Board of Directors of Transferee Company, as the case may be.
  - (d) Transferor Company shall not vary or later, except in the ordinary course of business or pursuant to any pre-existing obligations undertaken prior to the date of acceptance of the scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written occurrence of Transferee Company.



- (e) With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Company as on the close of business on the date preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.
- (ii) Upon the scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Transferor Company.
- (iii) For all purpose of giving effect to the vesting order passed under Section 232 of the Companies Act, 2013 and the applicable Rules thereunder in respect of this Scheme by the NCLT, Transferee Company shall, at any time pursuant to the orders on this Scheme be entitled to get the record of the change in the legal rights upon the vesting of the Transferor Company's businesses and undertakings in accordance with the provisions of Section 230-232 of the Companies Act, 2013. Transferee Company shall be authorized to execute any pleading; applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this scheme.

#### **4.9. Creditors**

- (i) The Scheme does not involve any compromise or composition with the creditors of the Transferor Company or the Transferee Company and the rights of the creditors of the Transferor Company and the Transferee Company are not be affected in any manner.
- (ii) The charge and/or security of the secured creditors of the Transferor Company and the Transferee Company shall remain unaffected by this Scheme

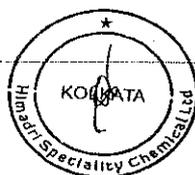
### **PART V: CONSIDERATION & ACCOUNTING TREATMENT**

#### **5.1. Consideration**

- (i) Upon the scheme coming into effect, all equity shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued, or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company.
- (ii) Upon coming into effect of this Scheme, the shares or the share certificates of the Transferor Company in relation to the shares held by the Transferee Company, as the case may be shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

#### **5.2. Increase in Authorized Share Capital and Amendment to the Memorandum of the Transferee Company**

- (i) Upon the scheme becoming effective, the Authorized share capital of the Transferor Company shall be deemed to be added to the Authorized share capital of the Transferee Company without any further act, deed or procedure, formalities or payment of any stamp duty and registration fees. The face value of equity shares shall remain same as of the Transferee Company after increase of the Authorized Capital.



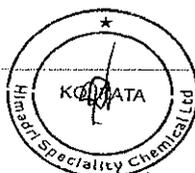
- (ii) Upon coming into effect of the scheme, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument shall stand amended to give effect to the relevant provisions of this Scheme and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed and accordingly Clause V of the Memorandum of Association of the Transferee Company be substituted as:

*“The Authorized Share capital of the company is Rs.70,01,00,000/-(Rupees Seventy Crores One lakh ) divided into 70,01,00,000 (Seventy Crores One lakh ) Equity shares of Re 1/- each with the right, privileges and attaching thereto as are provided by the Articles of the Company for the time being with power to increase or reduce the Capital in accordance with Company’s regulation and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into equity shares capital and preference share capital, and to attach thereto respectively, and preferential, qualified or special right, privileges or conditions as may be determined by, or in accordance with the provisions of the Companies Act, 2013 and the regulations of the company and to vary or modify or abrogate and such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company.”*

- (iii) On approval of the Scheme by the members of Transferee Company, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 14, 61 and other applicable provisions of Companies Act, 2013 as may be applicable for the purpose of amendment of the Memorandum of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders’ resolution as required under Sec 13, 14 and 61 of the Act for amendment of the Memorandum of Association of the Transferee Company.

### 5.3. Accounting Treatment

- (i) Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Transferee Company shall give effect to the amalgamation in its books of accounts in accordance with Ind AS 103 Business Combinations and other accounting principles prescribed under the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) and on the date determined in accordance with Ind AS.
- (ii) Upon the Scheme coming into effect, all the assets and liabilities of the Transferor Company shall be transferred to and vested in the Transferee Company and shall be recorded at their respective book values. No adjustment shall be made to the carrying amounts of assets and liabilities as reflected in the books of Transferor Company on the Appointed Date, to reflect fair values or recognize any new assets or liabilities including any new deferred tax assets or liabilities. All reserves of the Transferor Company are deemed to be carried forward and shall be recorded in the books of the Transferor Company as on the appointed Date. The carrying amount of the Transferee Company of its investment in its shares of the Transferor Company, which shall stand cancelled in terms of this scheme, and the aggregate face value of such shares shall, subject to other provisions contained herein, be adjusted and reflected in the Capital Reserves of Transferee Company.
- (iii) To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and



## 6.2. Listing Agreement and SEBI Compliances

- (i) Since the Transferee Company is a listed company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and all statutory directives of the Securities Exchange Board of India (SEBI) in so far as they relate to sanction and implementation of the scheme.
- (ii) SEBI vide Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15<sup>th</sup> February 2017 has amended the Listing Regulations and relaxed the requirement of obtaining prior approval or no objection/ observation letter of the Stock Exchanges and SEBI in case of merger of wholly owned subsidiary with its holding company. The draft schemes shall be filed with the Stock Exchange for disclosure purpose in compliance with the above notification.

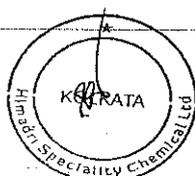
## 6.3. Conditionality of Scheme

The Scheme is conditional upon and subject to:

- (i) The approval and agreement of the Scheme by the requisite majorities of Equity Shareholders and the Creditors of the Transferor Company and the Transferee Company, as may be directed by the NCLT, Kolkata Bench on the applications made for directions under Section 230 of the said Act for calling meeting and necessary resolutions being passed under the said Act;
- (ii) The sanction of the NCLT under Sections 230 to 232 and other applicable provisions of the said Act in favour of the Transferor Company and the Transferee Company;
- (iii) In view of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15.02.2017 and in terms of Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, drafts scheme of Amalgamation of Wholly owned subsidiaries with their parent company shall be filed with the Stock Exchanges for the purpose of disclosures and Stock Exchanges shall disseminate the scheme documents on their website. No further compliance shall be required for Scheme of Amalgamation of a Wholly owned subsidiary with its parent company. The Transferee Company shall comply with the requirement of the above mentioned SEBI Notification/Circular.
- (iv) The confirmation order sanctioning this Scheme being filed with the Registrar of Companies having jurisdiction;
- (v) All other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.

## 6.4. Modification or Amendment of the Scheme and Revocation of the Scheme

- (i) The Scheme shall be subject to such modifications as the NCLT while sanctioning the same may direct and which the Board of Transferor Company and Transferee Company may consent and agree to;
- (ii) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) either by themselves or through a Committee appointed by them in this behalf, may in their full and absolute discretion, make and/or assent to



any alteration, or modification to this Scheme, including but not limited to those which the NCLT and/or any other authority may deem fit approve or propose;

- (iii) Transferor Company and Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them.
- (iv) In the event of any of the said sanctions/ approvals/ conditions referred herein above not being obtained and/ or complied with and/ or satisfied and/ or this Scheme not being sanctioned by the NCLT and/ or order or orders not being passed as aforesaid and/ or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto and 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 in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implication on all/ any of the companies.

#### 6.5. Residual Provision

- (i) Without prejudice to the provisions contained in this Scheme, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes
- (ii) On the approval of the Scheme by the members of Transferee and Transferor Company pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under various provisions of the Act to the extent the same may be considered applicable in respect of various actions required to be undertaken by the Transferee Company for implementation of this Scheme.

#### 6.6. Costs

All costs, charges, fees, taxes, including duties (including the stamp duty), if any applicable in relation to this Scheme, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company. All such costs, charges, fees, taxes, stamp duties including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of the Transferee Company.



Certified True Copy

For Himadri Speciality Chemicals Ltd

Company Secretary  
12/5/2018  
PCS: 8148