



ORIENTAL CARBON & CHEMICALS LIMITED

14th Floor, Tower-B, World Trade Tower, Plot No. C-1, Sector-16, Noida - 201301, UP
Phone : 91-120-2446850 Email : occlnoida@occlindia.com
Website : www.occlindia.com



10th April 2024

To,

BSE Limited

Sir Phiroze Jeejeebhoy Towers

Dalal Street, Fort

Mumbai – 400001

Scrip Code: 506579

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor

Plot No. C-1, Block G

Bandra Kurla Complex, Bandra (East)

Mumbai – 400051

Symbol: OCCL

Dear Sir/ Madam,

SUB: Disclosure under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, (“Listing Regulations”)

REF: Scheme of Arrangement between Oriental Carbon & Chemicals Limited (“Company”) and OCCL Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Act”)

This is in continuation to our intimations dated 24 May 2022, 27 March 2023 and 24 January 2023 in connection with the Scheme of Arrangement between the Company and OCCL Limited (“**Resulting Company**” or “**OCCL**”) and their respective shareholders and creditors (“**Scheme**”).

We would like to inform you that the Hon’ble National Company Law Tribunal, Ahmedabad Bench (“**Hon’ble Tribunal**”) *vide* its order dated 10 April 2024 has sanctioned the Scheme (“**NCLT Final Order**”). The Company has received the authenticated copy of the NCLT Order which is attached for your ready reference.

The Board of Directors of the Company and OCCL at their respective meetings held on 24 May 2022 approved the Scheme whereby the Appointed Date (*as defined in the Scheme*) of the Scheme was defined as the Effective Date (*as defined in the Scheme*).

In terms of the NCLT Order, the Hon’ble NCLT has *suo motu* amended the said Appointed Date to be the date of pronouncement of the NCLT Order i.e. 10 April 2024.

In view of the aforesaid, the Company is in the process of evaluating the overall impact of the aforesaid NCLT Order and will communicate to the Stock Exchanges further course of action to be adopted.

Kindly take the above on record.

Yours faithfully,

For **Oriental Carbon & Chemicals Limited**

Pranab Kumar Maity
Company Secretary

Encl.: As above.

Registered Office :

Plot No. 30 - 33, Survey No. 77
Nishant Park, Nana Kapaya,
Mundra, Kachchh,
Gujarat -370415
CIN - L24297GJ1978PLC133845

Plants :

Plot 3 & 4 Dharuhera Industrial Estate, Phase - 1
Dharuhera - 123106, Distt. Rewari, (Haryana)

SEZ Division : Survey No. 141, Paiki of Mouje Village Mundra
Taluka Mundra, Mundra SEZ, District Kutch, Gujarat - 370421

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1

ITEM No. 303

CP(CAA)/22(AHM)2023 in
CA(CAA)/01(AHM)2023

Order under Section 230-232 of Co Act, 2013

In The Matter Of:

Oriental Carbon & Chemicals Limited
OCCL Limited

.....Applicant

.....Respondent

Order delivered on: 10/04/2024

Coram:

Mr. Shammi Khan, Hon'ble Member(J)
Mr. Sameer Kakar, Hon'ble Member(T)

PRESENT:

For the Applicant :
For the Respondent :

ORDER

The case is fixed for the pronouncement of the order. The order is pronounced in the open court, vide separate sheet.

-SD-

SAMEER KAKAR
MEMBER (TECHNICAL)

-SD-

SHAMMI KHAN
MEMBER (JUDICIAL)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - I, AHMEDABAD**

**CP(CAA) No.22/NCLT/AHM/2023
in
CA(CAA) No. 1/NCLT/AHM/2023**

[Application under section 230-232 of Companies Act, 2013 read with the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016]

In the matter of Scheme of Arrangement of Demerger

In the matter of:

ORIENTAL CARBON & CHMEICALS LIMITED

CIN: L24297GJ1978PLC133845

REGISTERED OFFICE:

PLOT No. 30-33, SURVEY No. 77,
NISHANT PARK, VILLAGE-NANA KAPAYA,
DISTRICT MUNDRA, KACHCHH-370415
GUJARAT

**.... First Petitioner Company/
Demerged Company
And**

OCCL LIMITED

CIN: U24302GJ2022PLC131360

REGISTERED OFFICE:

PLOT No.30,31,32&33,
SURVEY No. 77, NISHANT PARK,
VILLAGE-NANA KAPAYA,
DISTRICT MUNDRA, KACHCHH-370421,
GUJARAT

**.... Second Petitioner Company/
Resulting Company
And**

Their Respective Shareholders and Creditors

Order pronounced on: 10.04.2024

CORAM:

MR. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

MR. SAMEER KAKAR, MEMBER (TECHNICAL)

For the Applicants : Mr. Navin Pahwa, Ld. Sr. Adv. a.w. Ravi
Pahwa, Ld. Adv.

For RD : Mr. Shiv Pal Singh, Deputy Director

ORDER

1. The present Company Petition has been filed by the Petitioner Companies above named for the purpose of the approval of the Scheme of Arrangement between **ORIENTAL CARBON & CHEMICALS LIMITED** (for brevity "Demerged Company") and **OCCL LIMITED** (for brevity "Resulting Company"), under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (for brevity 'the Rules') (hereinafter referred to as the 'SCHEME') pursuant to the Scheme proposed by the Petitioner Company and the said Scheme is also annexed at "**Annexure I**" of the Petition.

2. The Scheme inter alia provides for the demerger, transfer and vesting of the Demerged Undertaking (viz. Chemical Business Undertaking) from Oriental Carbon & Chemicals Limited, Demerged Company into the Resulting Company.
3. An Affidavit in support of the Company Petition has been sworn by Mr. Pranab Kumar Mistry, being Company Secretary of the First Petitioner Company/Demerged Company and Authorised Signatory of Second Petitioner/Resulting Company the same is part of the Company Petition. The above-named Company Secretary and Authorised Signatory of Petitioner Companies has been authorized vide Board Resolution dated 24.05.2022 passed by the Petitioner Companies.

4. **1ST MOTION APPLICATION – IN BRIEF**

- 4.1 The Petitioner Company have filed the First Motion Application vide CA(CAA) No. 1/NCLT/AHM/2023 seeking reliefs as follows: -

	EQUITY SHAREHOLDERS	SECURED CREDITORS	UNSECURED CREDITORS
DEMERGED COMPANY	To order for Meeting	To dispense with	To order for Meeting
RESULTING COMPANY	To dispense with	NIL	To dispense with

4.2 Based on such application moved under Sections 230-232 of the Companies Act, 2013; directions were issued by this Tribunal, vide order dated **24.01.2023**, to dispense the meeting of Equity shareholders and Unsecured Creditors of Resulting Company and Secured Creditors of Demerged Company in view of the consent affidavits. This Tribunal directed to convene meeting of the Equity Shareholders and Unsecured Creditors of the Demerged Company through video conferencing or other audio-visual means at 3.00 P.M. on 27.04.2023 and 02.05.2023, respectively. Further, there being no Secured Creditors in the Resulting Company need to convene meeting of Secured Creditors of the Resulting Company does not arise.

4.3 Accordingly, the Tribunal has appointed Mr.Bimal Kumar Sipani, Chartered Accountant and in his absence Mr.Nitin

Mishra, Advocate on Record, Supreme Court of India as the Chairperson and Mr.Pawan Kumar Sarawagi, of M/s. P Sarawagi & Associates, Company Secretaries as the Scrutinizer of the meeting(s) and gave directions to comply with various stipulations contained in the Order including filing of the Chairperson's Report.

4.4 This Tribunal also directed issuance of notices to statutory authorities viz. the Central Government through Regional Director, North Western Region, Registrar of Companies, Gujarat, Income-Tax Authority and BSE Limited (through BSE Listing Centre) (in case of Demerged Company) stating that the representations, if any, to be made by them within a period of 30 days from the date of receipt of such notice.

4.5 In compliance of the order dated 24.01.2023 made by this Tribunal in CA (CAA) No. 01 of 2023, The Chairpersons appointed by this Tribunal filed affidavit regarding serving of notice of the meetings to Unsecured Creditors and Equity Shareholders of Demerged Company and advertisement of notice of meetings. The Petitioner

Companies have sent notice to statutory authorities and filed affidavit regarding service of notice to the aforesaid statutory authorities.

4.6 The Chairperson Mr.Bimal Kumar Sipani has submitted his Report along with Scrutinizers Report on meeting of Equity Shareholder of Demerged Company on 08.05.2023 with the Tribunal. From the Chairperson's report, it is observed that the Equity Shareholder of the Demerged Company had consented in favour of the Scheme. The said Chairperson's report is annexed at ***Annexure O 'Colly'***.

4.7 The Chairperson Mr.Nitin Mishra has submitted his Report along with Scrutinizers Report on meeting of Unsecured Creditors of Demerged Company on 11.05.2023 with the Tribunal. From the Chairperson's report, it is observed that the Unsecured Creditors of the Demerged Company had consented in favour of the Scheme. The said Chairperson's report is annexed at ***Annexure O 'Colly'***

5. RATIONALE OF THE SCHEME

5.1 The Rational for the Scheme as envisaged under the Scheme of Arrangement in the nature of Demerger appended at **Annexure I** of the Demerger and Resulting Company typeset is extracted hereunder:

1. *“As part of an overall strategy for the optimum running, growth and development of the businesses of the Demerged Company, it is considered desirable and expedient to reorganise and reconstruct the Demerged Company by demerging its Chemical Business to the Resulting Company. This will result in the creation of two separate robust entities viz., the Resulting Company focussing exclusively on the Chemical Business and the Demerged Company shall continue to be in the business of investments and intends to initiate trading business such as commodity trading etc.*

2. *The Scheme is expected, inter alia, to result in the following benefits:*
 - (i) *value unlocking of the respective businesses of the Demerged Company and the Resulting Company based on respective risk return profile and cash flows;*
 - (ii) *provide better flexibility in accessing capital and attract business specific partners and investors; and*

- (iii) focused management approach for pursuing revenue growth and expansion opportunities in the respective businesses verticals.*
3. *The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders of the Parties.”*
6. In the second motion application filed by the Petitioner Companies, this Tribunal vide order dated directed the Petitioner Companies to issue notice to the Statutory / Regulatory Authorities viz. (i) the Central Government through Regional Director, North Western Region, (ii) the Registrar of Companies, Gujarat (iii) the Income-Tax Authority (iv) BSE (through BSE Listing Centre) (in case of Demerged Company) and other sectoral regulators, who may govern the working of the respective company, as well as for paper publication to be made in **“Financial Express”** in English language and **“Sandesh”** in Vernacular Language both Ahmedabad Edition.

7. In compliance to the said directions issued by this Tribunal, the Petitioner Companies have filed an affidavit of service before the Registry of this Tribunal on **10.08.2023** and a perusal of the same discloses that the Petitioner Companies have effected paper publications as directed by the Tribunal in the “**Financial Express**” in English and in “**Sandesh**” in Vernacular Language (**Ahmedabad Edition**) on 08.07.2023. It is also seen that notices have been also served to (i) the Central Government through Regional Director, North Western Region on 14.04.2023, (ii) the Registrar of Companies, Gujarat on 14.07.2023 (iii) the Income-Tax Authority on 12.07.2023 and 15.07.2022 (iv) BSE Limited (through BSE Listing Centre) and the proof of the same by way of affidavits have been enclosed with the separate typed set. Pursuant to the service of notice of the petition the following statutory authorities have responded as follows:-

STATUTORY AUTHORITIES

8. REGIONAL DIRECTOR

8.1 The Regional Director, North Western Region, MCA and RoC, Ahmedabad have filed their observations before this Tribunal on 25.08.2023 making following observations: -

- i. In para 2(e) of RD's report it is stated that, as per consideration provided in the scheme, increase in authorized share capital of the Petitioner Resulting Company will be required since the authorized share capital of the Resulting Company is not sufficient to issue and allot new shares of the Resulting Company to the shareholders of the Demerged Company through the scheme. There is requirement to increase the authorized capital of the Resulting Company upto Rs.9,99,00,920/- or more. Therefore, the Resulting Company be directed to comply with provisions of section 61 of the Companies Act,2013 and also to pay stamp duty, registration fees etc. and file relevant e-form with respective Registrar of Companies.
- ii. In para 2(f) of RD's Report it is stated that, Petitioner Company has submitted letter dated 23.06.2023

pursuant to this Directorate's letter dated 18.04.2023 stating that there are Foreign National/NRI/Foreign Bodies Corporate is holding shares in the Petitioner Demerged Company. The Regional Director is not aware as to whether the Petitioner Company has complied with the provisions of FEMA and RBI guidelines or not. Therefore, the Petitioner Companies be directed to ensure compliance of FEMA and RBI guidelines.

- iii. In para 2(g) of RD's Report it is stated that, the Petitioner Companies be directed to undertake the compliance of Section 2(19AA) of the Income Tax Act since this is a scheme of demerger.
- iv. In para 2(h) of RD's Report it is stated that, the Demerged Company is listed with BSE and NSE. The letter dated 02.12.2022 issued by NSE & BSE to the Demerged Company pursuant to the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 date 23rd November,2021 have been submitted to

office of RD by the Company. The said circular is issued with an intention to ensure compliance by listed company in the interest of shareholders at large. The SEBI circular issued from time to time are applicable to the Demerged Company and they should comply with requirements of the said circular and observation letters issued by BSE & NSE. Therefore, the Demerged Company be directed to ensure compliances of above observation letters issued by BSE and NSE.

- v. In para 2(i) of RD's Report it is stated that, as per report of office of ROC dated 27.04.2023, there are no compliant/representation against the scheme of amalgamation of companies. The Petitioners Companies be directed to clarify the observations made by ROC in their Report.
- vi. In para 2(k) of RD's Report it is stated that, the Petitioner Companies be directed to pay such amount of legal fees/cost to the Central Government which may be considered appropriate.

vii. In para 2(l) of RD's Report it is stated that, there are no other observations/submissions except stated hereinabove, for consideration in respect of the Scheme of Arrangement in the nature of Demerger between Oriental Carbon & Chemicals Limited and OCCL Limited and their respective Shareholders and Creditors.

8.2 Observations of **ROC**, Ahmedabad are as follows:

- i. In para 14(1) of ROC Report it is stated that, Equity shares of Demerged Company are listed on the BSE and National Stock Exchange of India Limited. Resulting Company is wholly owned subsidiary of Demerged Company. NSE and BSE have issued their observation letters vide letter dated 02.12.2022 to Demerged Company. Therefore, directions be issued to the Petitioner companies to comply with the directive /Circular issued by SEBI from time to time.
- ii. In para 14(2) of ROC Report it is stated that, Demerged Company is having Non-resident Indian (NRI), Foreign institutional investors as shareholders.

Therefore, the Demerged Company be directed to ensure the compliances pertaining to the FEMA and RBI guidelines in the matter.

- iii. In para 14(3) of ROC Report it is stated that, the Authorised capital of the Resulting company is not sufficient for the purpose of issue and allotment of new shares of the Resulting Company to the shareholders of the Demerged Company. Hence, Resulting Company be directed to comply the provisions of Section 61 r/w Section 64 of the Companies Act, 2013 and be filed necessary e-form to increase its authorized Capital under the MCA portal as per the requirement of Section 61 r/w Section 64 of the Companies Act, 2013 and Rules made thereunder along with payment of Fee/Additional Fee and necessary Stamp Fee as applicable.
- iv. In para 14(4) of ROC Report it is stated that, the Resulting Company be directed to comply the provisions of Section 61 r/w Section 64 of the Companies Act, 2013 and be filed necessary e-form

for sub-divide its shares under the MCA portal as per the requirement of Section 61 r/w Section 64 of the Companies Act, 2013 and Rules made thereunder along with payment of Fee/Additional Fee and necessary Stamp Fee as applicable.

- v. In para 14(5) of ROC Report it is stated that, Upon this Scheme becoming effective the name of the Demerged Company shall stand changed to 'OCCL Ventures Limited' or such other name which is available and approved by the RoC, by simply filing the requisite forms with the Appropriate Authority. Therefore, 5. the Resulting Company shall follow the procedure led down under section 4 read with Section 13 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and shall file the prescribed E-form with the Ministry of Corporate Affairs along with requisite fees/additional Fees.
- vi. In para 14(6) of ROC Report it is stated that, the Petitioner Company be directed to ensure statutory compliance of all applicable laws and also on

sanctioning of the present Scheme, the Petitioner Company shall not be absolved from any of its statutory liabilities, in any manner.

vii. In para 14(7) of ROC Report it is stated that, the Petitioner Company be directed to pay necessary stamp duty on transfer of property/assets, to the respective authorities before implementation of the Scheme.

viii. In para 14(8) of ROC Report it is stated that, the company involved in the scheme be directed to comply with provisions of section 232(5) of the Companies Act, 2013 with respect to filing of certified copy of order sanctioning the scheme with Registrar of Companies within 30 days from date of passing order.

8.3 The Petitioner Companies have filed common affidavit dated before this Tribunal on 12.01.2024 in response to representation of **Regional Director** and the **Registrar of Companies** with the following response: -

RESPONSE TO OBSERVATION OF REGIONAL DIRECTOR

- i. In response to observation at para 2(e), the petitioner company undertakes to increase its authorised share capital in order to allot of Resulting Company New Equity Shares to the shareholders of the First Petitioner Company and comply with provisions of Section 61 and other applicable provisions of the Act including payment of the stamp duty, registration fees etc. and file relevant e-forms on the relevant portal of the Ministry of Corporate Affairs.
- ii. In response to observation at para 2(f) it is stated that, the equity shares of the First Petitioner Company are traded on BSE Limited and National Stock Exchange of India Limited and the First Petitioner Company has duly complied with relevant provisions of the Foreign Exchange Management Act, 1999 and other relevant guidelines issued by the Reserve Bank of India. The Petitioner Companies state that, they will comply with relevant provisions of the Foreign Exchange Management Act, 1999 and other relevant guidelines

issued by the Reserve Bank of India from time to time which are applicable to the Scheme.

- iii. In response to observation at para 2(g) it is stated that, in the Preamble of the Scheme it is clearly mentioned that Scheme is presented under Sections 230 to 232 and other applicable provisions of the Act read with Section 2(19AA) and other applicable provisions Income-tax Act, 1961. Further, the Petitioner Companies undertake that, they will comply with the provisions of Section 2(19AA) of the Income-tax Act, 1961.
- iv. In response to observation at para 2(h) it is stated that, the First Petitioner Company will comply with the provisions of observation letters issued by BSE Limited dated 2 December 2022 bearing reference no. DCS/AMAL/TL/IP/2588/2022-23 and National Stock Exchange of India Limited dated 2 December 2022 bearing reference no. NSE/LIST/31234_II which are annexed to the captioned Company Petition at Annexure F Colly.

- v. In response to observation at para 2(i) it is stated that, the Petitioner Companies have provided clarifications to the observations on the Scheme made by the Registrar of Companies, Ministry of Corporate Gujarat, Dadra & Nagar Haveli (ROC) in its report dated 27 April 2023 ROC Report") filed with the Regional Director.
- vi. In response to observation at para 2(k) it is stated that, the Petitioner Companies will pay necessary fees as may be directed by this Hon'ble Tribunal, to the office of the Regional Director for submitting the RD Representation and representing on behalf of the Central Government in relation to the Scheme.

RESPONSE TO OBSERVATION OF REGISTRAR OF COMPANIES:

- i. In response to observation at para 14(1) it is stated that, the First Petitioner Company will comply with the provisions of observation letters issued by BSE Limited dated 2 December 2022 bearing reference no. DCS/AMAL/TL/IP/2588/2022-23 and National Stock

Exchange of India Limited dated 2 December 2022 bearing reference no. NSE/LIST/31234_II which are annexed to the captioned Company Petition at Annexure F Colly. It is also stated that, in connection with the Scheme, the First Petitioner will comply with relevant circulars issued by the Securities and Exchange Board of India.

- ii. In response to observation at para 14(2) it is stated that, the equity shares of the First Petitioner Company are traded on BSE Limited and National Stock Exchange of India Limited and the First Petitioner Company will comply with relevant provisions of the Foreign Exchange Management Act, 1999 other relevant guidelines issued by the Reserve Bank of India from time to time which are applicable to the Scheme.
- iii. In response to observation at para 14(3) it is stated that, the Second Petitioner Company undertakes to increase its authorized share capital in order to allot of Resulting Company New Equity Shares to the shareholders of the First Petitioner Company and

comply with provisions of Section 61, Section 64 and other applicable provisions of the Act including payment of stamp duty, registration fees etc. and file relevant forms on relevant portal of the Ministry of Corporate Affairs.

- iv. In response to observation at para 14(4) it is stated that, in connection with Clause 9.6 of the Scheme relating to reorganisation of authorised share capital of the Second Petitioner Company, the Second Petitioner Company undertakes to file necessary e-forms on relevant portal of the Ministry of Corporate Affairs and pay necessary fees, if any, in accordance with applicable law.
- v. In response to observation at para 14(5) it is stated that, in connection with change of name of First Petitioner Company from 'Oriental Carbon & Chemicals Limited' to 'OCCL Ventures Limited' or such other name as may be approved by the jurisdictional Registrar of Companies, the First Petitioner Company will comply with the applicable provisions of Section 4,

Section 13 and other applicable provisions of the Act and file necessary e-forms on the portal of Ministry of Corporate Affairs including payment of requisite fees, if any.

- vi. In response to observation at para 14(6) it is stated that, the Petitioner Companies are surviving entities and will ensure statutory compliance under applicable laws and after effectiveness of the Scheme the Petitioner Companies will not be absolved of any of its statutory liabilities in any manner and they shall be paid as per applicable laws.
- vii. In response to observation at para 14(7) it is stated that, as per Clause 21 of the Scheme all costs, of charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Petitioner Companies, respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme shall be paid by the

First Petitioner Company and/ or the Second Petitioner Company.

- viii. In response to observation at para 14(8) it is stated that, the Petitioner Companies undertake to file the certified copy of the order and the Scheme with the Registrar of Companies concerned, electronically, vide e-Form INC-28 within 30 days from the date of issuance of the certified copy of the order sanctioning the Scheme by this Hon'ble Tribunal in accordance with Section 232(5) of the Act.
- ix. It is stated that except the observation stated at Paragraphs 2(e) to 2(i) and Paragraphs 2(k) and 2(1) of the RD Representation and Paragraphs 14(1) to 14(8) of the ROC Report, all other observations as stated in Paragraphs 2(a) to (d) and Paragraph 2(j) of the RD Representation and Paragraph 14(9) of the ROC Report are factual in nature.

9. INCOME TAX DEPARTMENT:

- 9.1 The Income Tax Department has given its report dated 29.01.2024 and 30.01.2024 with respect to Oriental

Carbon & Chemicals Limited (Demerged Company) and OCCL Limited (Resulting Company). In the said report it is stated that they have no objection to the proposed Scheme of Arrangement by the way of Demerger.

10. ACCOUNTING TREATMENT

10.1 The Petitioner Companies submits that the accounting treatment specified in the Scheme of Arrangement is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013. The Petitioner Companies have annexed a copy of the certificate issued by the statutory auditor of the Petitioner Companies, to the effect that the accounting treatment specified in the Scheme of Arrangement is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 at ***Annexure – J Colly***.

11. VALUATION REPORT

11.1 The Learned Counsel for the Petitioner Companies invited the attention of this Tribunal to the Valuation Report dated 24.05.2022 obtained from, one Ms. Madhumita Kara,

Registered Valuer, determining the share entitlement ratio for the proposed scheme and the same is placed on record.

12. It is stated that Applicant filed an additional Affidavit on 11.03.2024 under Inward Diary no. D2069 stating that the Board of Directors of the respective Petitioner Companies, including their shareholders and creditors have agreed that the Appointed Date of the Scheme is the Effective Date. Further, in terms of the Scheme, the Effective Date is defined to mean the date on which last of the conditions specified in Clause 19 (Conditions Precedent) of the Scheme are complied with or waived, as applicable. Clause 19 of the Scheme has been reproduced below for your ready reference:

"19. CONDITIONS PRECEDENT

19.1 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:

19.1.1 obtaining no-objection letter from Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI Regulations;

19.1.2 approval of the Scheme by the requisite majority of each class of shareholders and such other classes of Persons of the Parties, as applicable or as may be required under the Act and as may be directed by the Tribunal;

19.1.3 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties; and

19.1.4 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties.

19.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the respective Parties may have under or pursuant to all Applicable Laws. 19.3 On the approval of this Scheme by the shareholders and such other classes of Persons of the said Parties, if any, the shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger, capital reduction set out in this Scheme, related matters and this Scheme itself."

13. It is further stated that conditions mentioned under Clause 19.1.1 and 19.1.2 of the Scheme are duly completed.

Further, so far as condition mentioned under Clause 19.1.3 is concerned the same will be completed upon the receipt of sanction of this Tribunal to the Scheme.

It is stated that the Effective Date and Appointed Date of the Scheme will be the date on which certified/ authenticated copies of the orders of this Tribunal, sanctioning the Scheme, are filed with the jurisdictional Registrar of Companies ("RoC") by the Petitioner Companies.

14. It stated that RD office filed a report on 04.04.2024 under Inward Diary No. D4129 to the above-mentioned Affidavit stating that they have no objection to the contentions mentioned under the affidavit and also on a hearing dated 04.04.2024 the office of RD stated that they have no objection regarding the contentions in the above-mentioned affidavit dated 07.03.2024.

15. **OBSERVATIONS OF THIS TRIBUNAL**

- 15.1 After analysing the Scheme in detail, this Tribunal is of the considered view that the scheme as contemplated amongst the Petitioner Companies seems to be *prima facie* beneficial

to the Company and will not be in any way detrimental to the interest of the shareholders of the Company. Considering the record placed before this Tribunal and since all the requisite statutory compliances have been fulfilled, this Tribunal sanctions the Scheme of Demerger appended at **“Annexure I”** of the Demerging Company and Resulting Company to the typed set filed along with the Company Petition as well as the prayer made therein.

15.2 The Learned Counsel for the Petitioner Companies submitted that no investigation/proceedings are pending against the Demerged or Resulting Company under section 210-217, 219, 220, 223, 224, 225, 226 & 227 of the Companies Act, 2013. Further, no winding up petition is pending against the Petitioner Companies under the provisions of the Companies Act, 2013.

15.3 Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this Tribunal will not come in the way of action being taken, albeit, in

accordance with law, against the concerned persons, directors and officials of the petitioners.

15.4 While approving the Scheme as above, it is clarified that this order should not be construed as an order in any way granting approval of the said loan assignments and exemption from payment of stamp duty, taxes or any other charges, if any, payment is due or required in accordance with law or in respect to any permission/compliance with any other requirement which may be specifically required under any law.

15.5 Further it becomes relevant to discuss that in Company Petition CAA-284/ND/2018 vide Order dated 12.11.2018, the NCLT New Delhi has made the following observations with regard to the right of the IT Department in the Scheme of Amalgamation: -

*“taking into consideration the clauses contained in the Scheme in relation to liability to tax and also as insisted upon by the Income Tax and in terms of the decision in **RE: Vodafone Essar Gujarat Limited v. Department of Income Tax (2013)353 ITR 222 (Guj)** and the same*

being also affirmed by the Hon'ble Supreme Court and as reported in (2016) 66 taxmann.com.374(SC) from which it is seen that at the time of declining the SLPs filed by the revenue, however stating to the following effect vide its order dated April 15,2015 that the Department is entitled to take out appropriate proceedings for recovery of any statutory dues from the transferor or transferee or any other person who is liable for payment of such tax dues, the said protection be afforded is granted. With the above observations, the petition stands allowed and the scheme of amalgamation is sanctioned.”

16. THIS TRIBUNAL DO FURTHER ORDER:

- i. The Scheme of Arrangement in the nature of Demerger as annexed herewith as “**Annexure A**” is hereby sanctioned and it is declared that the same shall be binding on the Demerged Company, the Resulting Company, and their Shareholders and Creditors and all concerned under the Scheme.
- ii. **Hon’ble NCLAT** in the matter of **Sterlite Ports Ltd. Vs Regional Director Southern Region [Comp. Appeal (AT)(CH) No. 99 of 2023]** held that NCLT has powers under rule 11 of the NCLT Rules, 2016, to fix the Appointed Date, which would be beneficial to the Scheme of Amalgamation.

- iii. In view of the above we hereby exercise the powers of rule 11 and hence direct that the Appointed Date is to be considered from the date of pronouncement of this order. As according to our view the remaining steps as envisaged under additional affidavit dated 07.03.2024 are only procedural steps/ ministerial acts which will follow post the pronouncement of the present order and effective date cannot be kept open.
- iv. The Demerged Undertaking shall, together with all its properties, rights, and powers be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 230-232 of the Act, stand transferred to and vest in the Resulting Company but subject nevertheless to all charges now affected the same, if any.
- v. Upon effectiveness of this Scheme and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to the shareholders of the Demerged Company whose name is

recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date, as under:

“5(five) fully paid equity shares of INR 2/- each of the Resulting Company credited as fully paid up, for every 1(One) fully paid up equity share of INR 10/- each of the Demerged Company”

- vi. On Demerger, all the employees of the Demerged Company employed in the activities relating to the Demerged Undertaking, in service on the Effective Date, if any, shall become the employees of the Resulting Company, on and from such date without any break or interruption in service and upon terms and conditions not less favourable than those applicable to them in the Demerged Undertaking, of the Demerged Company, on the Effective Date.

- vii. All licenses, permissions, permits, approvals, certificates, clearances, authorities, leases, tenancy, assignments, rights, claims, liberties, special status,

other benefits or privileges and any power of attorney relating to the Demerged Undertaking shall stand transferred to and vested in the Resulting Company, without any further act or deed. The Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company.

- viii. All the liabilities and duties of the Demerged Undertaking be transferred, without further act or deed, to the Resulting Company and accordingly the same shall pursuant to Sections 230-232 of the Act, be transferred to and become the liabilities and duties of the Resulting Company.
- ix. All contracts, agreements, insurance policies, bonds and all other instruments of whatsoever nature or description, of the Demerged Company in respect of the Demerged Undertaking, shall stand transferred to and vested in the Resulting Company and be in full force and effect in favour of the Resulting Company and may

be enforced by or against it as fully and effectually against the Resulting Company.

- x. All direct and indirect taxes paid or payable by the Demerged Company including advance taxes pertaining to the Demerged Undertaking including existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, to which shall be available to and vest in the Resulting Company. The tax liability of the Demerged Undertaking shall become liability of the Resulting Company and any proceedings against the Demerged Undertaking shall continue against the Resulting Company.

- xi. All taxes paid or payable by the Investment Undertaking of the Demerged Company including existing and future incentives, un-availed credits and exemptions, benefit of carried forward losses and other statutory benefits, shall be available to and vest in the Resulting Company.

- xii. All proceedings now pending by or against the Demerged Company in respect of Demerged Undertaking shall be continued by or against the Resulting Company.
- xiii. The Petitioner Companies are directed to lodge a copy of this Order, the approved Scheme and the Schedule of Assets of the Demerged Company attached as “**Annexure-B**” with this order, duly authenticated by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for adjudication of stamp duty, and pay requisite stamp duty payable, if any, within 60 days from the date of this Order.
- xiv. The Registry is directed to provide the certified copy of this order to the Applicant if asked within the period of 3 working days.
- xv. The Petitioner Companies are further directed to file a copy of this order along with the copy of the Scheme with the concerned Registrar of Companies, electronically, along with e-form INC-28 in addition to

physical copy within 30 days from the date of issuance of the certified copy of the Order by the Registry as per relevant provisions of the Act.

xvi. The legal fees/ expenses of the office of the Regional Director are quantified at Rs. 25,000/- in respect of the Petitioner Companies. The said fees to the Regional Director shall be paid by the Resulting Company.

xvii. Income Tax Department will be free to examine the aspect of any tax payable as a result of the sanction of the Scheme and if it is found that the Scheme of Arrangement ultimately results in tax avoidance or is not in accordance with the applicable provisions of Income Tax Act, then the Income T Dept. shall be at liberty to initiate appropriate course of action as per law. Any sanction of the Scheme of Arrangement under Sections 230-232 of the Companies Act, 2013 shall not adversely affect the rights of Income Tax Department or any past, present or future proceedings and the sanction of the scheme shall not come in its way for the

appropriate course of action as per law for the tax liabilities, if any.

xviii. Any person aggrieved shall be at liberty to apply to the Hon'ble Tribunal in the above matter for any direction that may be necessary.

xix. Filing and issuance of drawn up orders are dispensed with. All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the authenticated copy of this order along with Scheme immediately.

17. Accordingly, the Company Petition stands **allowed** on the aforementioned terms.

-SD-

**SAMEER KAKAR
MEMBER (TECHNICAL)**

-SD-

**SHAMMI KHAN
MEMBER (JUDICIAL)**

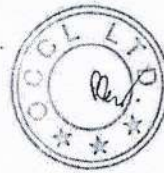
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Annexure I

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Annexure-A

**SCHEME OF ARRANGEMENT
BETWEEN
ORIENTAL CARBON & CHEMICALS LIMITED
AND
OCCL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013**



A. BACKGROUND OF THE COMPANIES

1. Oriental Carbon & Chemicals Limited ("Demerged Company") is a public company incorporated under the provisions of the Companies Act, 1956. The Demerged Company is engaged in the business of manufacturing and sales of chemicals (insoluble sulphur, sulphuric acid and oleum) and investments. The Demerged Company is a global supplier of insoluble sulphur of which about two-third of the turnover is from exports. The manufacturing facilities of the Demerged Company are located in the states of Haryana and Gujarat. The equity shares of the Demerged Company are listed on BSE Limited and the National Stock Exchange of India Limited.
2. OCCL Limited ("Resulting Company") is a public company incorporated under the provisions of the Act (as defined hereinafter). The Resulting Company is incorporated to carry on the business of manufacturing, sale, purchase, etc. of all type of chemicals and chemical products and providing all services and utilities for the same. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

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B. PREAMBLE

1. This Scheme (as defined hereinafter) is presented under Sections 230 to 232 and other applicable provisions of the Act read with Section 2(19AA) and other applicable provisions of the Income Tax Act (as defined hereinafter) and provides for the following:
- (i) the demerger, transfer and vesting of the Demerged Undertaking (as defined hereinafter) from the Demerged Company (as defined hereinafter) into the Resulting Company (as defined hereinafter) on a going concern basis and the consequent issue of equity shares by the Resulting Company; and
 - (ii) reorganisation of the authorised share capital of the Resulting Company and reduction and cancellation of the existing paid-up share capital of the Resulting Company.
2. This Scheme also provides for various other matters consequent and incidental thereto.

C. RATIONALE FOR THIS SCHEME

1. As part of an overall strategy for the optimum running, growth and development of the businesses of the Demerged Company, it is considered desirable and expedient to reorganise and reconstruct the Demerged Company by demerging its Chemical Business to the Resulting Company. This will result in the creation of two separate robust entities viz., the Resulting Company focussing exclusively on the Chemical Business and the Demerged Company shall continue to be in the business of investments and intends to initiate trading business such as commodity trading etc.
2. The Scheme is expected, *inter alia*, to result in the following benefits:
- (i) value unlocking of the respective businesses of the Demerged Company and the Resulting Company based on respective risk return profile and cash flows;
 - (ii) provide better flexibility in accessing capital and attract business specific partners and investors; and
 - (iii) focused management approach for pursuing revenue growth and expansion opportunities in the respective businesses verticals.
3. The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders of the Parties.

D. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

1. PART I deals with the definitions, share capital and date of taking effect and implementation of this Scheme;
2. PART II deals with the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a going concern basis, the consequent issue of equity shares by the Resulting Company and reduction and cancellation of the existing paid-up equity share capital of the Resulting Company; and



3. PART III deals with the general terms and conditions that would be applicable to this Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

HOH

1. DEFINITIONS

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

"Act" means the Companies Act, 2013 and rules framed thereunder;

"Appointed Date" means the Effective Date or such other date as may be decided by the Board of the Parties;

"Applicable Law" means any applicable central, provincial, local or other law including all applicable provisions of all: (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Parties; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;

"Appropriate Authority" means:

- (i) the government of any jurisdiction (including any central, State, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;
- (ii) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;
- (iii) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation), SEBI, the Tribunal; and
- (iv) Stock Exchanges.

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

"Chemical Business" means the business of the Demerged Company in relation to insoluble sulphur, acid and oleum;

"Demerged Company" means Oriental Carbon & Chemicals Limited, a public company incorporated under the provisions of the Companies Act, 1956 and having its corporate identity number L24297G11978PLC133845 and registered office at Plot No. 30-33, Survey No. 77, Nishant Park, Nana Kapaya, District Mundra, Kutch - 370 421, Gujarat;

"Demerged Undertaking" shall mean entire activities, business, operations and undertakings of the Demerged Company forming part of the Chemical Business as on the Appointed Date and shall include (without limitation):

- (i) all the immovable properties of the Chemical Business, including plant and machinery, wherever situated pertaining to the Chemical Business;
- (ii) all the movable properties of the Chemical Business, wherever situated, including all computers and accessories, software and related data, plant and machinery, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances,



accessories, pertaining to the Chemical Business;

- (iii) all brands, trademarks, logos, trade and corporate name and intellectual property rights exclusive to the Chemical Business;
- (iv) all rights (including management rights towards funds and carry rights) and licenses, all assignments and grants thereof, all Permits, clearances and registrations whether under central, state or other laws, rights (including rights/ obligations under agreement(s) entered into with various persons including Independent consultants, subsidiaries/ associate companies and other shareholders of such subsidiary/ associate/ joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), rights of commercial nature including attached goodwill, non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, investments and/ or interest (whether vested, contingent or otherwise), taxes, share of tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax, and other indirect taxes), deferred tax benefits and other benefits in respect of the Chemical Business, tax losses, if any, cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial assets, treasury investments, hire purchase and lease arrangement, funds belonging to or proposed to be utilised for the Chemical Business, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests relating to the Chemical Business;
- (v) all books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly relating to the Chemical Business;
- (vi) all contracts, deeds, bonds, agreements, schemes, arrangements, distributor agreements, sub advisory arrangements and other Instruments, rights, entitlements, leases/ licenses, operation and maintenance contracts, memorandum of understanding, memorandum of agreements, memorandum of agreed points, letters of intent, hire and purchase agreements, tenancy rights, equipment purchase agreement, POA (power of attorney) and other agreement and/ or arrangement, as amended and restated from time to time, whether executed with customers, suppliers, contractors, lessors, licensors, consultants, advisors or otherwise, which pertains to the Chemical Business;
- (vii) any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the Chemical Business;
- (viii) all employees of the Demerged Company that are determined by the Board of the Demerged Company to be substantially engaged in, or in relation to, the Chemical Business, on the date immediately preceding the Effective Date;
- (ix) all liabilities present and future, corporate guarantees issued and the contingent liabilities pertaining to the Chemical Business, namely:
- (a) the debts of the Demerged Company which arises out of the activities or operations of the Chemical Business;
 - (b) specific loans and borrowings raised, incurred and utilised by the Demerged Company for the activities or operations pertaining to the Chemical Business; and
 - (c) general or multipurpose borrowings, if any, of the Demerged Company will be apportioned basis the proportion of the value of the assets transferred as part of Chemical Business to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.
- (x) entire experience, credentials, past record and market share of the Demerged Company pertaining to the Chemical Business;
- (xi) all reserves relating to the Chemical Business as identified by the Board of the Demerged Company; and

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(xii) all legal or other proceedings of whatsoever nature, by or against the Demerged Company pending as on the Effective Date and relating to the Chemical Business.

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

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"Effective Date" means the date on which last of the conditions specified in Clause 19 (Conditions Precedent) of this Scheme are complied with or waived, as applicable;

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

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

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

"Parties" shall mean collectively the Demerged Company and the Resulting Company and "Party" shall mean each of them, individually;

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

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

"Record Date" means the date to be fixed by the Board of the Demerged Company, in consultation with the Resulting Company for the purpose of determining the shareholders of the Demerged Company for issue of the Resulting Company New Equity Shares, pursuant to this Scheme;

"Remaining Business" means all of the businesses, units, divisions, undertakings, and assets and liabilities of the Demerged Company, other than the Demerged Undertaking;

"Resulting Company" means OCCL Limited, a public company incorporated under the provisions of the Act and having its corporate identity number U24302GJ2022PLC131360 and registered office at Plot No. 30, 31, 32 & 33, Survey No. 77, Nishant Park, Village - Naha Kapaya, District Mundra, Kutch - 370 421, Gujarat;

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

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

"SEBI" means the Securities and Exchange Board of India;

"SEBI Circular" means the circular issued by the SEBI, being SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, and any amendments thereof, modifications issued pursuant to Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"SEBI LODR Regulations" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any amendments thereof;

"Stock Exchanges" means BSE Limited and National Stock Exchange of India Limited, collectively;



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

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

"Tribunal" means the jurisdictional bench of the Hon'ble National Company Law Tribunal having jurisdiction over the Parties.

1.2 In this Scheme, unless the context otherwise requires:

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

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

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

2. SHARE CAPITAL

2.1 The share capital of the Demerged Company as on 24 May 2022 is as follows:

Particulars	INR
Authorised share capital	
1,49,90,000 equity shares of INR 10 each	14,99,00,000
1,000 redeemable cumulative preference shares of INR 100 each	1,00,000
each	
Total	15,00,00,000
Issued, subscribed and fully paid up capital	
99,90,092 equity shares of INR 10 each	9,99,00,920
Total	9,99,00,920

2.2 The share capital of the Resulting Company as on 24 May 2022 is as follows:

Particulars	INR
Authorised share capital	
50,000 equity shares of INR 10 each	5,00,000
Total	5,00,000
Issued, subscribed and paid up capital	
10,000 equity shares of INR 10 each	1,00,000
Total	1,00,000

The entire equity share capital of the Resulting Company is held by the Demerged Company along with its nominees.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme set out herein in its present form or with any modification(s) made under Clause 18 of this Scheme, shall become operative from the Effective Date and effective from the Appointed Date.



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PART II

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 4.1 Upon effectiveness of this Scheme and with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, the Demerged Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a *going concern* basis, so as to become as an from the Appointed Date, the assets, Permits, contracts, liabilities, loan, debentures, duties and obligations of the Resulting Company by virtue of operation of law and in the manner provided in this Scheme.

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This Scheme complies with the definition of "demerger" as per Section 2(19AA) and other applicable provisions of the Income Tax Act. Subject to approval by the Board of the Parties, if any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in accordance with aforesaid provisions of the Income Tax Act.

- 4.2 Without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer and vesting of assets and liabilities forming part of the Demerged Undertaking under this Scheme, is as follows:

- 4.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets, brands, trademarks of the Demerged Undertaking, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, domain names, copyrights, trademarks and all such other industrial and intellectual property rights of whatsoever nature) or are otherwise capable of transfer by delivery or possession or by endorsement, shall stand transferred upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Resulting Company without requiring any deed or instrument of conveyance for transfer of the same. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;

- 4.2.2 Subject to Clause 4.2.3 below, with respect to the assets forming part of the Demerged Undertaking other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;

- 4.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/ or the Resulting Company;

- 4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.5 below, it is clarified that, with respect to the immovable properties forming part of the Demerged Undertaking in the nature of land and buildings, the Demerged Company and/ or the Resulting Company shall register the true copy of the



orders of the Tribunal approving the Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 or Clause 4.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any property of the Demerged Company takes place and the assets and liabilities forming part of the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;

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- 4.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties forming part of the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Gujarat, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and vesting in the Resulting Company, if the Resulting Company so decides, the Demerged Company and/ or the Resulting Company, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of the Demerged Undertaking vested in the Resulting Company pursuant to this Scheme;
- 4.2.6 Upon effectiveness of the Scheme and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, present or future, duties and obligations, secured or unsecured, whether known or unknown, including contingent/ potential Tax liabilities of the Demerged Undertaking shall pursuant to the applicable provisions of the Act and the provisions of this Scheme and without any further act or deed become the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. For the avoidance of doubt, it is clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. The amounts of general or multipurpose borrowings, if any, of the Demerged Company will be apportioned basis the proportion of the value of the assets transferred as part of the Demerged Undertaking to the total value of the assets of the Demerged Company immediately before Appointed Date;
- 4.2.7 The Demerged Company may, at its sole discretion but without being obliged to, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, debenture or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes;
- 4.2.8 Unless otherwise agreed to between the Board of the Parties, the vesting of all the assets of the Demerged Company forming part of the Demerged Undertaking, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such Encumbrances shall be confined only to the relevant assets forming part of the Demerged Undertaking of the Demerged Company or part thereof on or over which they are subsisting on and vesting of such assets in the Resulting Company and no such Encumbrances shall extend over or apply to any other asset(s) of Resulting Company. Any reference in any security documents or arrangements (to which Demerged Company is a party) related to any assets of Demerged Company shall be so construed to the end and Intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of Resulting Company. Similarly, Resulting Company shall not be required to create any additional security over assets vested under this Scheme for any loans, deposits or other financial assistance already availed of/ to be availed of by it, and the Encumbrances in respect of such indebtedness of the Demerged Company shall not extend or be deemed to extend or apply to the assets so vested;



- 4.2.9 In so far as any Encumbrance in respect of liabilities pertaining to the Demerged Undertaking is concerned, such Encumbrance shall without any further act, instrument or deed being required to be modified and, if so agreed, shall be extended to and shall operate over the assets of the Resulting Company. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance, if any, over such assets relating to the liabilities pertaining to the Demerged Undertaking is concerned, without any further act, instrument or deed being required, be released and discharged from the obligations and Encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities;
- 4.2.10 Taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to Demerged Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable;
- 4.2.11 Upon the Scheme becoming effective, the Demerged Company and/ or the Resulting Company shall have the right to revise their respective financial statements, income tax returns, tax deducted at source (TDS) returns and other statutory returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds, credit of tax deducted at source, credit of minimum alternate tax, credit of foreign taxes paid / withheld, carry forward of tax losses, credits in respect of sales tax, value added tax, service tax, goods and services tax (GST) and other indirect taxes etc., and for matters incidental thereto, if required, to give effect to the provisions of the Scheme. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company;
- 4.2.12 Subject to Clause 4 and any other provisions of the Scheme, in respect of any refund, benefit, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;
- 4.2.13 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of Resulting Company, if presented by Resulting Company;
- 4.2.14 Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall subject to Applicable Law be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever; and
- 4.2.15 Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to and vested in the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence. The Parties shall, wherever necessary, enter into and/ or

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execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

- 4.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause, the Parties may execute any and all instruments or documents and do all the acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge, necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to the Scheme. The Resulting Company shall take such actions as may be necessary and permissible to get the assets, Permits and contracts forming part of the Demerged Undertaking transferred and/ or registered in its name.

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5. EMPLOYEES

- 5.1 With effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, leave balance, gratuity and other retiral/ terminal benefits. The decision on whether or not an employee is part of the Demerged Undertaking, be decided by the Demerged Company, and shall be final and binding on all concerned.
- 5.2 Upon the Scheme coming into effect and with effect from the Appointed Date, employment information, including personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or on-going leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the employees of the Demerged Undertaking and all forms, notifications, orders and contribution / identity cards issued by the concerned authorities relating to benefits shall be deemed to have been transferred to the Resulting Company.
- 5.3 The accumulated balances, if any, standing to the credit of the aforesaid employees in the existing provident fund and gratuity fund and superannuation fund of which they are members, as the case may be, will be transferred to such provident fund, gratuity fund and the National Pension System (NPS) nominated by the Resulting Company, as the case may be. Pending the transfer as aforesaid, the provident fund and gratuity fund dues, as the case may be, of the said employees would be continued to be deposited in the existing provident fund and gratuity fund of the Demerged Company, as the case maybe.

6. LEGAL PROCEEDINGS

- 6.1 With effect from the Effective Date, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands and legal proceedings of whatsoever nature (except proceedings under Tax laws) by or against the Demerged Company pending and/ or arising on or before the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Appointed Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings that stand transferred to the Resulting Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall consequently stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.
- 6.2 The Resulting Company undertakes to have all legal and other proceedings (except proceedings under Tax laws) initiated by or against the Demerged Company referred to in Clause 6.1 above



transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. Both the Demerged Company and/ or the Resulting Company shall make relevant applications and take all steps as may be required in this regard. It is clarified that all Tax proceedings in relation to the Demerged Undertaking for a period prior to the Appointed Date shall be enforced against the Demerged Company and pertaining to the period after the Appointed Date shall be enforced against the Resulting Company.

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- 6.3 Notwithstanding anything contained hereinabove, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under Tax laws), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

7. CONSIDERATION

- 7.1 Immediately upon effectiveness of this Scheme and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, Instrument or deed, issue and allot, on a proportionate basis to the shareholders of the Demerged Company whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date, as under:

"5 (Five) fully paid up equity share of INR 2/- each of the Resulting Company credited as fully paid up, for every 1 (One) fully paid up equity share of INR 10/- each of the Demerged Company"

The equity shares of the Resulting Company to be issued pursuant to Clause 7.1 shall be referred to as "Resulting Company New Equity Shares".

- 7.2 The Resulting Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company.
- 7.3 The issue and allotment of Resulting Company New Equity Shares, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Resulting Company New Equity Shares.
- 7.4 Subject to Applicable Laws, the Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Resulting Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Resulting Company) be updated to reflect the issue of Resulting Company New Equity Shares in terms of this Scheme. The shareholders of the Demerged Company who hold shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Resulting Company, prior to the Record Date to enable it to issue the Resulting Company New Equity Shares.
- 7.5 However, if no such details have been provided to the Resulting Company by the shareholders of the Demerged Company holding shares in physical form on or before the Record Date, the Resulting Company shall deal with the relevant shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding shares in dematerialised form to a trustee nominated by the Board of Resulting Company ("Trustee of Resulting



Company") who shall hold these shares in trust for the benefit of such shareholders. The shares of Resulting Company held by the Trustee of Resulting Company for the benefit of the shareholders shall be transferred to the respective shareholder once such shareholder provides details of his/ her/ its demat account to the Trustee of Resulting Company, along with such other documents as may be required by the Trustee of Resulting Company. The respective shareholders shall have all the rights of the shareholders of the Resulting Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of shares from the Trustee of Resulting Company. All costs and expenses incurred in this respect shall be borne by Resulting Company.

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- 7.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of shares in the Demerged Company, after effectiveness of this Scheme.
- 7.7 The Resulting Company New Equity Shares to be issued pursuant to this Scheme in respect of any shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 7.8 The shares to be issued by the Resulting Company in lieu of the shares of the Demerged Company held in the unclaimed suspense account shall be issued to a new unclaimed suspense account created for shareholders of the Resulting Company.
- 7.9 In the event, the Demerged Company and/ or the Resulting Company restructure their share capital by way of share split/ consolidation/ Issue of bonus shares during the pendency of the Scheme, the share entitlement ratio, as per Clause 7.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.
- 7.10 The Resulting Company shall apply for listing of its equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The equity shares of the Resulting Company shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchanges. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of its shares which may affect the status of approval of the Stock Exchanges.
- 7.11 The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

8. ACCOUNTING TREATMENT

8.1 Accounting treatment in the books of the Demerged Company:

Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall account for demerger of the Demerged Undertaking in its books as per applicable accounting principles prescribed under relevant Indian Accounting Standards ("IND AS"). It would *inter-alia* include the following:

- 8.1.1 The Demerged Company shall reduce from the book value of its assets, the book value of the assets pertaining to the Demerged Undertaking transferred to the Resulting Company pursuant to the Scheme.
- 8.1.2 The Demerged Company shall reduce from the book value of its liabilities (including provisions), the book value of the liabilities (including provisions) pertaining to the Demerged Undertaking transferred to the Resulting Company pursuant to the Scheme.
- 8.1.3 The inter-company balances between Demerged Company and Resulting Company relating to the Demerged Undertaking, if any, in the books of accounts of Demerged Company shall stand cancelled.



8.1.4 The Demerged Company shall recognise the difference, if any, between the carrying value of assets and liabilities of Demerged Undertaking as per Clause 8.1.1 and Clause 8.1.2 above, in the statement of profit and loss account.

8.2 Accounting treatment in the books of the Resulting Company:

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Upon the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall account for demerger of the Demerged Undertaking in its books as per applicable accounting principles prescribed under relevant Indian Accounting Standards 103 ("IND AS 103"). It would *inter-alia* include the following:

- 8.2.1 The Resulting Company shall account for the arrangement in accordance with 'Pooling of Interest Method' laid down by Appendix C of IND AS 103 (Business combinations of entities under common control).
- 8.2.2 The Resulting Company shall credit to its share capital account, the aggregate face value of the Resulting Company New Equity Shares issued by it pursuant to Clause 7.1 of this Scheme.
- 8.2.3 Assets and liabilities of the Demerged Undertaking transferred to and vested in the Resulting Company shall be recorded at their carrying values as appearing in the books of the Demerged Company in accordance with the requirements of relevant IND AS.
- 8.2.4 The identity of the reserves shall be preserved and shall appear in the financial statements of the Resulting Company in the same form in which they appeared in the financial statements of the Demerged Company pertaining to the Demerged Undertaking.
- 8.2.5 The inter-company balances between Demerged Company and Resulting Company relating to the Demerged Undertaking, if any, in the books of accounts of Resulting Company shall stand cancelled.
- 8.2.6 The difference between book value of assets and liabilities of the Demerged Undertaking as recorded by the Resulting Company after considering effect of Clause 8.2.3 and Clause 8.2.4 shall be recorded as capital reserve.
- 8.2.7 In case of any differences in accounting policy between the Demerged Company and Resulting Company, the impact of the same till the Appointed Date will be quantified and adjusted to the reserves of the Resulting Company, to ensure that upon the coming into effect of this Scheme, the financial statements of the Resulting Company reflect the financial position on the basis of a consistent accounting policy.

9. REORGANISATION OF AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY AND REDUCTION AND CANCELLATION OF EXISTING EQUITY SHARES OF THE RESULTING COMPANY

- 9.1 With effect from this Scheme becoming effective and simultaneous to allotment of Resulting Company New Equity Shares by the Resulting Company, the entire paid-up equity share capital, as on Effective Date, of the Resulting Company held by the Demerged Company and its nominees ("Resulting Company Cancelled Shares") shall stand cancelled, extinguished and annulled and the issued, subscribed and paid up equity capital of the Resulting Company to that effect shall stand cancelled and reduced.
- 9.2 The reduction of the share capital of the Resulting Company under Sections 230 to 232 of the Act shall be effected as an integral part of this Scheme itself and the Resulting Company shall not be required to follow the process under Sections 66 of the Act or any other provisions of the Applicable Law separately.
- 9.3 On the Effective Date, the Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the Resulting Company Cancelled Shares.
- 9.4 Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add 'And Reduced' as suffix to its name.
- 9.5 The reduction and cancellation of the Resulting Company Cancelled Shares does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.



- 9.6 In order to allot Resulting Company New Equity Shares, immediately upon cancellation of the equity share capital of the Resulting Company, the authorised share capital of the Resulting Company will be reorganised from the present sum of INR 5,00,000 divided into 50,000 equity shares of INR 10 each to INR 5,00,000 divided into 2,50,000 equity shares of INR 2 each.
- 9.7 The reorganisation of the authorised share capital of the Resulting Company under Sections 230 to 232 of the Act shall be effected as an integral part of this Scheme itself.
- 9.8 It is clarified that the approval of the members of the Resulting Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum and articles of association of the Resulting Company as may be required under the Act.
10. CHANGE OF NAME OF THE DEMERGED COMPANY
- 10.1 Upon this Scheme becoming effective, the name of the Demerged Company shall stand changed to 'OCCL Ventures Limited' or such other name which is available and approved by the RoC, by simply filling the requisite forms with the Appropriate Authority, unless already effected prior to the effectiveness of the Scheme, and no separate act, procedure, instrument, or deed shall be required to be followed under the Act.
- 10.2 Consequently, subject to Clause 10.1 above:
- 10.2.1 Clause I of the memorandum of association of the Demerged Company shall without any act, procedure, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 232 and other applicable provisions of the Act, and be replaced by the following Clause:
- "The name of the Company is OCCL Ventures Limited."*
- 10.3 It is hereby clarified that, for the purposes of acts and events as mentioned in Clause 10.1 and 10.2, the consent of the shareholders of the Demerged Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the aforementioned amendment and that no further resolution under Section 13, Section 14 or any other applicable provisions of the Act, would be required to be separately passed.

PART V

GENERAL TERMS & CONDITIONS

11. REMAINING BUSINESS OF THE DEMERGED COMPANY
- 11.1 The Remaining Business of the Demerged Company and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company. With effect from the Effective Date, only the Demerged Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Business of the Demerged Company and the Resulting Company shall not have any liability or obligation in relation to the Remaining Business of the Demerged Company.
- 11.2 All legal, Tax and/ or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings in relation to the Remaining Business of the Demerged Company.
- 11.3 If the Resulting Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Business of the Demerged Company, the Resulting Company shall, in view of the transfer and vesting of the Demerged Undertaking, pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company with the Demerged Company. However, if the Resulting Company is unable to get the Demerged Company so substituted in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company



and the latter shall reimburse the Resulting Company against all liabilities and obligations incurred by or against the Resulting Company, in respect thereof.

12. VALIDITY OF EXISTING RESOLUTIONS, ETC.

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Upon the coming into effect of this Scheme, the resolutions/ power of attorney executed by the Demerged Company in relation to the Demerged Undertaking, as the case may be, as considered necessary by the Board of the Demerged Company in relation to the Demerged Undertaking that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Resulting Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Demerged Company shall be added to the limits, if any, under like resolutions passed by the Resulting Company, and shall constitute the aggregate of the said limits in Resulting Company.

13. DIVIDENDS

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

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

14. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE

14.1 With effect from the date of approval of the Scheme by the respective Board of the Parties and up to and including the Appointed Date, the Demerged Company with respect to Demerged Undertaking shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company.

14.2 For the purpose of giving effect to the order passed under Sections 230 to 232 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon demerger of the Demerged Undertaking in accordance with the provisions of Sections 230 to 232 of the Act. The Resulting Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/ or substitution.

15. PROPERTY IN TRUST

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



may be mutually agreed by the Resulting Company, the Demerged Company will continue to hold the property and/ or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of, the Resulting Company.

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16. FACILITATION PROVISIONS

- 16.1 Immediately upon the Scheme being effective, the Demerged Company and the Resulting Company shall enter into agreements as may be necessary, *inter alia* in relation to use of office space, land, building, manufacturing facilities, infrastructure facilities, information technology services, security personnel, trademarks and other intellectual property rights, legal, administrative and other services, etc. on such terms and conditions that may be mutually agreed between them.
- 16.2 Without prejudice to the generality of the foregoing Clause 16.1 above, immediately upon the Scheme being effective, the Demerged Company and the Resulting Company shall enter into necessary agreements whereby, the Demerged Company shall provide shared services *viz.* accounting, tax, human resources, legal, secretarial, research and development etc. to the Resulting Company on such terms and conditions that may be mutually agreed between them.
- 16.3 The transactions of sale and purchase of products between the Demerged Company and the Resulting Company from the Appointed Date and until the Effective Date, shall be recorded on an arm's length basis in their respective books of accounts.
- 16.4 It is clarified that approval of the Scheme by the shareholders of the Parties under Sections 230 to 232 of the Act shall be deemed to have their approval under Section 185 and other applicable provisions of the Act and Regulation 23 and other applicable regulations of SEBI LODR Regulations and that no separate approval of the Board or audit committee or shareholders shall be required to be sought by the Parties.
- 16.5 It is clarified that all guarantees provided by the Demerged Company in respect of the Demerged Undertaking shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by the Resulting Company.

17. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

- 17.1 The Parties shall make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.
- 17.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Resulting Company may require to own the assets and/ or liabilities of the Demerged Undertaking, as the case may be, and to carry on the business of the Demerged Undertaking, as the case may be.

18. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 18.1 The Board of the Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 18.2 For the purposes of giving effect to this Scheme, the Board of the Parties may give such directions including directions for settling any question or difficulty that may arise and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.

19. CONDITIONS PRECEDENT

- 19.1 Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:
- 19.1.1 obtaining no-objection letter from Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI LODR Regulations;



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- 19.1.2 approval of the Scheme by the requisite majority of each class of shareholders and such other classes of Persons of the Parties, as applicable or as may be required under the Act and as may be directed by the Tribunal;
 - 19.1.3 the sanctions and orders of the Tribunal, under Sections 230 to 232 of the Act being obtained by the Parties; and
 - 19.1.4 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC having jurisdiction over the Parties.
- 19.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the respective Parties may have under or pursuant to all Applicable Laws.
- 19.3 On the approval of this Scheme by the shareholders and such other classes of Persons of the said Parties, if any, the shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger, capital reduction set out in this Scheme, related matters and this Scheme itself.

20. WITHDRAWAL OF THIS SCHEME AND NON-RECEIPT OF APPROVALS

- 20.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.
- 20.2 In the event of withdrawal of the Scheme under Clause 20.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.
- 20.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Parties, this Scheme or relevant part(s) of this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

21. COSTS AND TAXES

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



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Annexure-B



ORIENTAL CARBON & CHEMICALS LIMITED

14th Floor, Tower-B, World Trade Tower, Plot No. C-1, Sector-16, Noida - 201301, UP
Phone : 91-120-2446850 Email : occlnoida@occlindia.com
Website : www.occlindia.com



C.P.(CAA)/22(AHM)2023

IN

C.A.(CAA)/1(AHM)2023

Name of the Demerged Company	Oriental Carbon & Chemicals Limited
Corporate Identification Number (CIN)	L24297GJ1978PLC133845
Registered Office	Plot No. 30-33, Survey No. 77, Nishant Park, Nana Kapaya, District Mundra, Kutch - 370 421, Gujarat

INDICATIVE SCHEDULE OF ASSETS PERTAINING TO THE DEMERGED UNDERTAKING (AS DEFINED IN THE SCHEME) INCLUDES THE FOLLOWING

Assets	<ul style="list-style-type: none"> ▪ All the immovable properties of the Chemical Business, including plant and machinery, wherever situated pertaining to the Chemical Business; ▪ All the movable properties of the Chemical Business, wherever situated, including all computers and accessories, software and related data, plant and machinery, capital work in progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories, pertaining to the Chemical Business; ▪ All brands, trademarks, logos, trade and corporate name and intellectual property rights exclusive to the Chemical Business; ▪ All rights (including management rights towards funds and carry rights) and licenses, all assignments and grants thereof, all Permits, clearances and registrations whether under central, state or other laws, rights (including rights/ obligations under agreement(s) entered into with various persons including independent consultants, subsidiaries/ associate companies and other shareholders of such subsidiary/ associate/ joint venture companies, contracts, applications, letters of intent, memorandum of understandings or any other contracts), rights of commercial nature including attached goodwill, non-disposal undertakings, certifications and approvals, regulatory approvals, entitlements, other licenses, consents, investments and/ or interest (whether vested, contingent or otherwise), cash balances, bank accounts and bank balances, deposits, advances, recoverables, receivables, easements, advantages, financial investments, hire purchase and lease
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Registered Office :
Plot No. 30 - 33, Survey No. 77
Nishant Park, Nana Kapaya,
Mundra, Kachchh,
Gujarat -370415
CIN - L24297GJ1978PLC133845



Plants :
Plot 3 & 4 Dharuhera Industrial Estate, Phase - 1
Dharuhera - 123106, Distt. Rewari, (Haryana)

SEZ Division : Survey No. 141. Paiki of Mouje Village Mundra
Taluka Mundra, Mundra SEZ, L. strict Kutch, Gujarat - 370421

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 DIAMOND SULF

	<p>arrangement, funds belonging to or proposed to be utilised for the Chemical Business, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, utilities, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests relating to the Chemical Business;</p> <ul style="list-style-type: none"> ▪ All books, records, files, papers, governance templates and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly relating to the Chemical Business; ▪ All contracts, deeds, bonds, agreements, schemes, arrangements, distributor agreements, sub advisory arrangements and other instruments, rights, entitlements, leases/ licenses, operation and maintenance contracts, memorandum of understanding, memorandum of agreements, memorandum of agreed points, letters of intent, hire and purchase agreements, tenancy rights, equipment purchase agreement, POA (power of attorney) and other agreement and/ or arrangement, as amended and restated from time to time, whether executed with customers, suppliers, contractors, lessors, licensors, consultants, advisors or otherwise, which pertains to the Chemical Business; ▪ Any and all earnest monies and/ or security deposits, or other entitlements in connection with or relating to the Chemical Business; and ▪ Entire experience, credentials, past record and market share of the Demerged Company pertaining to the Chemical Business.
<p>Tax Credits</p>	<ul style="list-style-type: none"> • Taxes, share of tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax, goods and services tax, and other indirect taxes), deferred tax benefits and other benefits in respect of the Chemical Business, tax losses, if any.

For Oriental Carbon & Chemicals Limited


 Pranab Kumar Mahtani
 Company Secretary



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 Mundra, Kachchh,
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