



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

By Online Submission

Sec/20-21/64
Date: 19/09/2020

To,
The General Manager,
BSE Ltd.
1st Floor, New Trading Ring,
Rotunda Building, P.J. Tower,
Dalal Street, Fort
Mumbai- 400 001
BSE Code: 524370

To,
The General Manager,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.
NSE CODE: BODALCHEM

Dear Sir/Madam,


SUB: Notice of NCLT Conveyed Meeting of Unsecured Creditors of the Company

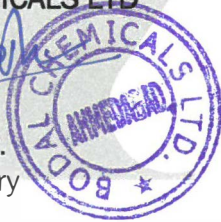
We herewith Submit Notice of NCLT Convened Meeting of Unsecured Creditors of the Company through Video Conferencing / Other Audio Visual Means ('VC / OAVM') On Thursday, October 22, 2020.

This is for your information and record please.

Thanking You,

For, **BODAL CHEMICALS LTD**


Ashutosh B. Bhatt.
Company Secretary
Encl: As Above.



HEAD OFFICE:

Plot No. 123-124, Phase-1,
G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

www.bodal.com

CIN No. : L24110GJ1986PLC009003

Tel: +91 79 2583 5437

2583 4223, 25831684

Fax: +91 2583 5245, 25836052

E-mail: bodal@bodal.com

BODAL CHEMICAL LIMITED

CIN: L24110GJ1986PLC009003

Regd. Office: Plot No.123-124, Phase-1, GIDC, Vatva, Ahmedabad-382 445

Corporate Office: "BODAL CORPORATE HOUSE", Beside Maple Green Resi., Nr. Anand Niketan School, Nr. Shilaj Circle, Off. S P Ring Road, Thaltej, Ahmedabad-380059

Phone: +91 79 68160100 **Email:** secretarial@bodal.com **Website:** www.bodal.com

MEETING OF THE UNSECURED CREDITORS OF BODAL CHEMICALS LIMITED ("Company")

(convened pursuant to an Order dated 08th September, 2020 passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench)

Details of the Meeting

Day	Thursday
Date	22 nd day of October 2020
Time	12.15 p.m.
Venue	Through Video Conferencing or Other Audio Video Means

REMOTE E-VOTING AND E-VOTING AT THE TIME OF MEETING:

Commencement of voting for remote E-voting	19-10-2020
End of remote E-voting	21-10-2020
E-voting at the time of Meeting	22-10-2020

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
CA (CAA) No. 55 of 2020

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 read with
Section 66 and other applicable provisions of the
Companies Act, 2013;

AND

In the matter of Scheme of amalgamation of
Trion Chemicals Private Limited
with Bodal Chemicals Limited.

BODAL CHEMICALS LIMITED

CIN: L24110GJ1986PLC009003

Company incorporated under the Companies

Act, 1956, having its registered office at

Plot No. 123 and 124, Phase -1 GIDC, Vatva, Ahmedabad- 382445, Gujarat, India

----- Applicant Transferee Company

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF BODAL
CHEMICALS LIMITED**

To,

All the Unsecured Creditors of Bodal Chemicals Limited

Notice is hereby given that by an Order dated *08th September, 2020* (the 'Order'), the Hon'ble National Company Law Tribunal, Ahmedabad Bench ('NCLT' or 'Tribunal') has directed a meeting of the Unsecured Creditors of the Applicant Transferee Company, be convened and held through VC/ OAVM, for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Amalgamation between Trion Chemicals Private Limited ('TCPL' or the 'Transferor Company') with Bodal Chemicals Limited ('BCL' or the 'Transferee Company') and their respective shareholders and creditors ('Scheme').

In pursuance of the Orders read with general circular issued by Ministry of Corporate Affairs ('MCA') viz. circular no. 14 of 2020 dated April 08, 2020, circular no. 17 of 2020 dated April 13, 2020 and circular no. 20 of 2020 dated May 05, 2020 (collectively referred to as 'MCA Circulars'), a meeting of unsecured creditors of the Applicant Transferee Company will be held on Thursday, 22nd day of October 2020 at 12.15 pm, through video conferencing or Other Audio Visual Means.

UnSecured Creditors are requested to consider, and if thought fit, to pass with requisite majority, the following resolution:

“RESOLVED THAT pursuant to the directions of Hon’ble National Company Law Tribunal, Ahmedabad Bench (hereinafter referred to as ‘the Tribunal’) for convening the meeting of Un Secured Creditors of Bodal Chemicals Limited , the Transferee Company, vide its Order dated *08th September, 2020*, the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Memorandum and Articles of Association of the Company and subject to the approval of the Tribunal and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to mean and include any Committee thereof, constituted by the Board), the arrangement embodied in the proposed Scheme of Amalgamation of Trion Chemicals Private Limited (‘TCPL’ or the ‘Transferor Company’) with Bodal Chemicals Limited (‘BCL’ or the ‘Transferee Company’) and their respective shareholders and creditors (‘Scheme’) placed before this meeting be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

The Applicant Transferee Company has appointed Central Depository Services Limited ('CDSL') for providing VC/OAVM facility and e-voting facility for the meeting of the unsecured creditors to consider and approve the Scheme by passing the above mentioned resolution.

The copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 can be obtained free of charge at the registered office of the Applicant Transferee Company at Plot No. 123 and 124, Phase -1 GIDC, Vatva, Ahmedabad – 382445, Gujarat, India.

The Hon'ble Tribunal has appointed Mr. Firoj Gaffarbhai Bodla, an Independent Practising Chartered Accountant and failing him Mr. Raheel Sanjeev Patel, an Independent Advocate and failing him Shri Sunil Mehta, an independent director of BODAL to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval by the Hon'ble National Company Law Tribunal, Ahmedabad Bench.

Sd/-

Mr. Firoj Gaffar bhai Bodla
Chairperson appointed for the meeting

Dated: 16th September, 2020
Place: Ahmedabad

Notes:

1. As per NCLT Orders dated *08th September, 2020* read with general circular issued by Ministry of Corporate Affairs ('MCA') viz. circular no. 14 of 2020 dated April 08, 2020, circular no. 17 of 2020 dated April 13, 2020 and circular no. 20 of 2020 dated May 05, 2020 (collectively referred to as 'MCA Circulars'), meeting of Unsecured Creditors of Transferee Company will be held through Video Conferencing/Other Audio Visual Means ('VC/OAVM'). The detailed procedure for participation in the meeting through VC/OAVM is as per Note No. 18.
2. Since, the meeting is being held pursuant to NCLT Orders and MCA Circulars through VC/OAVM, physical attendance of the Unsecured Creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the Unsecured Creditors will not be available for meeting.

3. The quorum for the meeting of Unsecured Creditors of the Applicant Transferee Company will be 15(Fifteen) in number as fixed by the NCLT, Ahmedabad Bench. Unsecured Creditors attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum.
4. Corporate Unsecured Creditors intending to authorise their representatives to participate and vote through e-voting on their behalf at the meeting are requested to send a certified copy of the Board Resolution/authorization letter together with attested specimen signature of the duly authorised signatory who are authorised to vote, 48 hours before the meeting to the Company at secretarial@bodal.com .
5. The Unsecured Creditors can join the meeting through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the meeting through VC/OAVM will be made available for 1000 Unsecured Creditors on first come first serve basis. This will not include large Unsecured Creditors (having 2% or more of total debt), Promoters, Directors, Key Managerial Personnel, Chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc, who are allowed to attend the meeting without restriction on account of first come first serve basis.
6. The Explanatory Statement pursuant to Section 102 read with Sections 230 to 232 of the Companies Act, 2013 ('Act') and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out above is annexed hereto.
7. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Statutory Registers maintained by the Company will be available for inspection by the Unsecured Creditors at the Registered Office of the Applicant Transferee Company during normal business hours (9:30 am to 6:30 pm) from Monday to Friday up to and including the date of the meeting.
8. This Notice is being sent to Unsecured Creditors of Applicant Transferee Company whose names are appearing in the books of accounts of the Applicant Transferee Company as on 15th September, 2020 by electronic mode and whose e-mail addresses are registered with the Company for communication purpose. In case e-mail address of any Unsecured Creditor is not registered with the Company, such Unsecured Creditor may send his/her request by email at secretarial@bodal.com along with his/ her name, address, mobile number, PAN, amount due from the Company.
9. This Notice will also be available on the Company's website i.e. www.bodal.com websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at

www.bseindia.com and www.nseindia.com respectively and on the website of Central Depository Services Limited ('CDSL') at www.evotingindia.com.

10. The Notice convening the aforesaid meeting will be published through advertisement in Indian Express Newspaper, Ahmedabad edition in the English language and Sandesh Newspaper, Ahmedabad edition in the Gujarati language.
11. Pursuant to NCLT Orders read with MCA Circulars, the Company is pleased to provide e-voting facility through CDSL to its Unsecured Creditors as on 15th October, 2020 (cut-off date). It is hereby clarified that it is mandatory for Unsecured Creditors to vote using the e-voting facility only, subject to compliance with the instructions for e-voting. The voting right may be exercised either by remote e-voting facility within prescribed period OR by e-voting during the meeting being convened through VC/OAVM.

(Unsecured Creditors are requested to use User ID and Password for e-voting as printed on address sticker in case of physical copy and as mentioned in covering e-mail in case of soft copy).

Any person who becomes Unsecured Creditor of the Applicant Transferee Company after dispatch of Notice and is a Unsecured Creditor in books of account of Applicant Transferee Company as on the cut-off date may cast their vote by using the login credentials, to be sent separately after the cut-off date, through e-mail. For those Unsecured Creditors who have not received login credentials may contact Company via e-mail/telephone.

The information and other instructions regarding remote e-voting and e-voting during the meeting are detailed in Note No. 17.

As directed by Hon'ble Tribunal, Mr. Tapan Shah, Practicing Company Secretary (Membership No. F4476) has been appointed as the Scrutinizer to scrutinize the e-voting during the meeting and remote e-voting process in a fair and transparent manner.

12. The Scrutinizer shall, immediately after and not later than 48 hours from conclusion of the meeting, make a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution and invalid votes, if any, to the Chairman of the meeting, in writing, who shall countersign the same.
13. The result of the voting shall be announced by the Chairman of the meeting in writing upon receipt of the Scrutinizer's Report. The results announced, along with the Scrutinizer's Report, shall be displayed at the Register Office of the Applicant Transferor

Company and its website viz. www.bodal.com and on the website of CDSL immediately after declaration. The results shall also be immediately forwarded to the stock exchanges where the Company's equity shares are listed i.e. BSE Limited and National Stock Exchange of India Limited.

14. The voting rights as well as the value of the unsecured creditors shall be in proportion to the outstanding amount due to them by the Company as on cut-off date.
15. The Scheme shall be considered approved by the Unsecured Creditors of the Applicant Transferee Company if the resolution mentioned above in the notice has been approved by the majority of persons representing three-fourths in value of the Unsecured Creditors in terms of Sections 230 to 232 of the Act.
16. Since the meeting will be held through VC/OAVM in accordance with the NCLT Orders and MCA Circulars, the route map, proxy form and attendance slip are not attached to the Notice.

17. Voting Process and other instructions regarding e-voting:

Section A: Remote e-voting process

The voting period begins on 19-10-2020 at 9.00 am and shall end on 21-10-2020 at 5.00 pm. During this period, Unsecured Creditors of the Applicant Transferee Company as on 15th October 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The Unsecured Creditors should follow the following steps to cast their votes electronically.

Step 1:	Open your web browser during the voting period and log on to the e-voting website: www.evotingindia.com
Step 2:	Click on 'Shareholders/ Members' to cast your vote(s).
Step 3:	Please enter USER ID as printed on address sticker in case of physical copy and as mentioned in covering email in case of soft copy.
Step 4:	Enter the Image Verification as displayed and Click on 'LOGIN'.
Step 5:	Please enter PASSWORD as printed on address sticker in case of physical copy and as mentioned in covering email in case of soft copy.

Step 6:	After entering these details appropriately, click on 'SUBMIT' tab.
Step 7:	Click on the EVSN of 'BODAL CHEMICALS LIMITED' to vote.
Step 8:	On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES / NO' for voting. The option 'YES' implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution. Select the option 'YES' or 'NO' as desired for casting your vote.
Step 9:	Click on 'RESOLUTION FILE LINK' if you wish to view the Notice.
Step 10:	After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
Step 11:	Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

You can also take print-out of the voting done by you by clicking on 'CLICK HERE TO PRINT' option on the voting page.

Note for Non – Individual Creditors

Step 1:	Non-Individual Unsecured Creditors are also required to follow the above process for remote e-voting.
Step 2:	Non Individual Unsecured Creditors are required to send the scanned certified copy of the Board Resolution/authorization letter together with attested specimen signature of the duly authorised signatory who are authorised to vote, atleast 48 hours before the meeting to the Company at secretarial@bodal.com .

Section B: Process of e-voting during meeting

Step 1:	The procedure for e-voting on the day of meeting is same as the instructions mentioned above for remote e-voting.
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Step 2:	Only those Unsecured Creditors, who will be present at the meeting through VC/OAVM facility and have not casted their vote on the resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through evoting system available at the meeting.
Step 3:	If any votes are casted by the Unsecured Creditors through e-voting available during the meeting and if the same Unsecured Creditor have not participated in the meeting through VC/OAVM facility, then the votes casted by such Unsecured Creditors shall be considered invalid as the facility of e-voting during the meeting is available only to the Unsecured Creditors participating in the meeting.
Step 4:	Unsecured Creditors who have voted through remote e-voting will be eligible to attend meeting. However, they will not be eligible to vote at the meeting.

For all grievances connected with the facility for voting by electronic means, please contact- Mr. Rakesh Dalvi-022-23058542/8543 or send an email to helpdesk.evoting@cDSLindia.com.

18. Instruction for Unsecured Creditors for attending the meeting through VC/OAVM:

- a. Unsecured Creditors will be provided with a facility to attend the meeting through VC/OAVM through the CDSL e-voting system. Creditors may access the same at <https://www.evotingindia.com> under Shareholders/Members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/Members login where the EVSN of Company will be displayed.
- b. Unsecured Creditors are encouraged to join the meeting through Laptops/Desktops for better experience. Further, the Unsecured Creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- c. Please note that participants connecting from mobile devices or Tablets or through Laptop connecting via Mobile hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- d. Unsecured Creditors who would like to express their views/have questions may send their views/questions 7 days prior to meeting mentioning their name, email id, mobile number at secretarial@bodal.com and register themselves as a speaker.

Only those Unsecured Creditors who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
CA (CAA) No. 55 of 2020

In the matter of the Companies Act, 2013;
AND

In the matter of Sections 230 to 232 read with
Section 66 and other applicable provisions of the
Companies Act, 2013;

AND

In the matter of Scheme of amalgamation of
Trion Chemicals Private Limited
with Bodal Chemicals Limited.

BODAL CHEMICALS LIMITED

CIN: L24110GJ1986PLC009003

Company incorporated under the Companies

Act, 1956, having its registered office at

Plot No. 123 and 124, Phase -1 GIDC, Vatva, Ahmedabad- 382445, Gujarat, India

----- Applicant Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the Order dated *08th September, 2020* passed by the Hon'ble National Company Law Tribunal, Ahmedabad Bench (the 'NCLT' / 'Tribunal'), in Company Application No. CA (CAA) No. 55 of 2020 ('Order'), a meeting of the Un Secured Creditors of BODAL CHEMICALS LIMITED is held on Thursday, 22nd October, 2020 at 12.15 p.m. through VC/ OAVM, for the purpose of considering, and if thought fit,

approving, with or without modification(s), the Scheme of Amalgamation of Trion Chemicals Private Limited (hereinafter referred to as 'TCPL' or 'Transferor Company') with Bodal Chemicals Limited (hereinafter referred to as 'BCL' or 'Applicant Transferee Company') and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the "Scheme"). BCL and TCPL are together referred to as the 'Companies'.

2. A copy of the Scheme, which has been, inter alia, approved by the Board of Directors of the Applicant Transferee Company at its meeting held on 27th May, 2020, is enclosed herewith. Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the 'Act') read with rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 (the 'Rules').
4. The draft Scheme was placed before the Audit Committee of the Applicant Transferee Company and Board of Directors of the Applicant Transferee Company and Transferor Company at their respective meetings held on 27th May 2020 and 26th May 2020 respectively, inter-alia taking into account:-
 - a. The Share Exchange Valuation Report dated 27th May, 2020, issued by Mr. Pinakin Shah, Registered Valuer having IBBI Registration No. IBBI/RV/05/2019/10728.
 - b. Certificate obtained from the Statutory Auditors of Bodal Chemicals Limited i.e. Deloitte Heskings and Sells, Chartered Accountants, having Firm Registration No. 117366W/W-100018 confirming that the Scheme is in compliance with the applicable accounting treatment notified under the Companies Act, 2013 and other generally accepted accounting principles.
5. Based upon the evaluations, the Board of Directors of the Applicant Transferee Company has concluded that the Scheme is in the interest of the Applicant Transferee Company and its shareholders.

PARTICULARS OF TRION CHEMICALS PRIVATE LIMITED ("TCPL")

6. Trion Chemicals Private Limited, (hereinafter referred to as 'TCPL' or 'Transferor Company') was originally incorporated as SKRAJ EXIM Private Limited on 29th April, 2009 under the Companies Act, 1956 with Registrar of Companies, Gujarat. The name of the Company was changed to Trion Chemicals Private Limited vide a

fresh certificate dated 15th January 2011 obtained from the Registrar of Companies, Gujarat. It is a wholly owned subsidiary of Bodal Chemicals Limited since 11th March 2020. The registered office of the Company is situated at Plot No. 123-124, Phase -1 GIDC Estate, Vatva Ahmedabad- 382445, Gujarat, India. TCPL, the Transferor Company, is a Wholly Owned Subsidiary of the Applicant Transferee Company viz. Bodal Chemicals Limited, a listed public limited company. The Transferor Company is engaged in the business of Manufacturing and trading of specialty chemicals i.e. Trichloroisocyanuric Acid (TCCA) that is mainly used for water purification and other related purposes. The Permanent Account Number of the Transferor Company is AADCT9816H. Email id of the Transferor Company is secretarial@bodal.com. The equity shares of TCPL are not listed on any stock exchanges.

7. The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main objects of Transferor Company are, inter alia, as follows:

1. To carry on business as buyers, sellers, importers, exporters, dealers, distributors, stockiest in intermediates, dyes, dyestuffs and all types of chemicals including basic chemicals, heavy or fine, organic, inorganic, biological, laboratory, scientific chemicals, chemicals of any nature used or capable of being used in the pharmaceutical industry, agricultural chemicals, fertilizers, petrochemicals, sanitary, industrial chemicals or any mixtures, derivatives and compound thereof.
2. To carry on in India and elsewhere business the business to manufacture, produce, Process, refine, extract, manipulate, add, pack, repack, import, export, trade, purchase, sell, distribute and deal in chemical, chemical compound, organic chemicals and inorganic chemicals. Finechemicals, marine chemicals, petrochemicals, petroleum products, Chemical products, dyes, dyes intermediate, pigments, aldehydes, drugs intermediates, solvent, lubricants, resins, adhesive, surface coating used in domestic, industrial and commercial purpose.
3. Objects incidental or ancillary to the attainment of main objects:

To amalgamate, enter into partnership or into any arrangement for sharing or pooling of profits, amalgamation, union of interest, cooperation, joint venture, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on any business or transaction which may seem

capable of being carried on or conducted so as, directly or indirectly to benefit the Company.

8. The Authorized, issued, Subscribed and Paid up capital of Transferor Company as on 31st March, 2019 is as under:-

Particulars	Amount in Rs.
Authorised	
1,00,00,000 equity shares of ₹ 10/- each	10,00,00,000
75,00,000 Preference Shares of Rs. 10/- each	7,50,00,000
Total	17,50,00,000
Issued Subscribed & Paid-up	
99,86,095 equity shares of ₹ 10/- each	9,98,60,950
46,00,000 preference shares of Rs.10/- each	4,60,00,000
Total	14,58,60,950

There is no change in the capital structure of the company since the above referred date.

PARTICULARS OF BODAL CHEMICALS LIMITED (“BCL”)

9. Bodal Chemicals Limited, (hereinafter referred to as ‘BODAL’ or ‘the Applicant Transferee Company’) is a listed public limited company incorporated on 24th September, 1986 under the Companies Act, 1956, in the name and style of Dintex Dyechem Private Limited, with the Registrar of Companies, Gujarat. The name of the company was changed to Dintex Dye chem Limited on 12th November 1992 and was further changed to Bodal Chemicals Limited vide certificate dated 22nd May 2006. The company became a public listed company from October, 1993. The shares of the company are listed on BSE Limited as well as National Stock Exchange of India Limited. The Registered Office of BODAL is situated at Plot No. 123-124, Phase-1, GIDC Estate, Vatva, Ahmedabad -382 445 in the state of Gujarat. The Applicant Transferee Company is engaged in the business of manufacturing as well as trading in all kinds of dyestuffs, dyes intermediates and basic and other chemicals etc; Company is also engaged in export and import of all such products. The Permanent Account Number of the Transferee Company is AAACD5352M. Email id of the Transferee Company is secretarial@bodal.com .

10. The objects for which Transferee Company has been established are set out in its Memorandum of Association which inter alia are as follows:

1. To carry on the business of manufacturers, producers, processors, buyers, sellers, importers, exporters and/or otherwise dealers in fine chemicals, industrial and pure chemicals, organic and inorganic chemicals and allied products, perfumes, flavours, pure drug solvents, dyes and dyes intermediates, Synthetic Coal Tar Dyes, textile auxiliaries, Synthetic organics, heavy chemicals, alkalies, acids, chemical, industrial preparations, chemicals for plastic, pigment, varnishes, paints, dyes and colours, agrochemicals, petrochemicals, makers and dealers in preparatory formulations and articles of the above nature and of chemicals.
2. To carry on the business of manufacturers, processors, importers, exporters and/or dealers in chemical dyes preparations required by different industries such as sugar tanning, textiles, metallurgical and process industries, proofing, materials, disinfectants, oils, cotton, woolen, jute, detergents, wetting out agents, soap tallow, gums, varnishes, synthetics, papers resins, catalytic agents, petro-chemicals and other petroleum products and articles and compounds.
3. To carry on all or any business of buyers, sellers, exporters, importers, agents, distributors, traders and dealers and with petrochemicals and organometallic chemicals and chemical compounds of all kinds, synthetic chemicals, polymer chemical, rubber chemicals, agro chemicals, Industrial chemicals, fertilisers, manures, pesticides, insecticides, weedicides, rodenticides, finisicides and micro nutrients and elements, products, by products, derivatives, compounds, and mixtures thereof and all or any formulated compositions, consisting or partly consisting of one or more of the above items and all or any converted or fabricated products, articles and substances of any one or more of the items.
- 3A. TO carry on the business of manufacturers, producers, processors, buyers, sellers, importers, exporters and/or otherwise dealers in Gypsum/Plaster boards, plaster products, their accessories and its allied products such as perforated paper tapes, adhesives, flooring and roof tiles and other building materials.

11. Objects incidental or ancillary to the attainment of main objects:

To amalgamate with any other Company whose objects are or include objects similar to those of this Company whether by sale or purchase (for fully or partly paid up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other Company as aforesaid with or without winding up or by sale or purchase (for fully or partly paid up shares or otherwise) of all of a controlling interest in the shares or stock of this or any other company as aforesaid or in any other manner as permissible under the Companies

Act,1956, the Monopolies and Restrictive Trade Practices Act, 1969 and such other legislation.

12. The authorised, issued, subscribed and paid-up share capital of BODAL as on 31st March 2019, is as under:-

Particulars	Amount in Rs.
<u>Authorised</u>	
13,50,00,000 equity shares of Rs. 2/- each	27,00,00,000
2,50,00,000 preference shares of Rs. 10/- each	25,00,00,000
Total	52,00,00,000
<u>Issued, Subscribed & Paid-up</u>	
12,21,88,765 equity shares of Rs. 2/- each fully paid-up	24,43,77,530
Total	24,43,77,530

There is change in the capital structure of the company since the above referred date. Authorised Share Capital has been reclassified by the members through Postal Ballot as on 28th June, 2019. The company has issued and allotted 1, 41,400 equity shares under ESOP Scheme as on 21-05-2019. The Current capital structure is mentioned as below:

Particulars	Amount in Rs.
<u>Authorised</u>	
16,00,00,000 equity shares of Rs. 2/- each	32,00,00,000
2,00,00,000 preference shares of Rs. 10/- each	20,00,00,000
Total	52,00,00,000
<u>Issued, Subscribed & Paid-up</u>	
12,23,30,165 equity shares of Rs. 2/- each fully paid-up	24,46,60,330
Total	24,46,60,330

13. RATIONALE OF THE SCHEME:

The Transferee Company is the sole shareholder in the Transferor Company holding 100% shares along with a nominee. It has been realised by the Board of Directors of both the

companies that the amalgamation of both these companies shall be helpful to achieve the following objectives:-

- (a) The commercial activities of both the companies are of similar nature and amalgamation will result in business and operational synergies in terms of complete integration of facilitates which would result in optimum utilization of capital and resources and reduction in overall operating and maintenance cost and benefits of economies of scale.
- (b) Simplify management structure, leading to better administration and are reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (c) The amalgamation will result in reduction in the multiplicity of legal and regulatory compliances and reduced costs.
- (d) Simplify shareholding structure and reduce shareholding tiers;

In view of the aforesaid, the Board of Directors of both the companies have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act and other relevant provisions of the Act, and other Applicable Laws.

14. SALIENT FEATURES OF THE SCHEME:

1. “Definitions”:

1.2 “Appointed Date” means April 1, 2019

1.3 “Effective Date” means the date on which the last of conditions referred to in Clause 18 hereof have been fulfilled;

1.4 “Scheme of Amalgamation” or “this Scheme” or “the Scheme” means this Scheme of Amalgamation in its present form or with any modifications made under Clause 17 of the Scheme or any modifications approved or directed by the Tribunals or any other Governmental Authority;

1.8 “Undertaking” means all the undertaking and entire business of the Transferor Company including, without limitation:

- a. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, work-in-progress, present, future or contingent of whatsoever

nature) of the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company(including, without limitation, the freehold and leasehold properties of the Transferor Company), investments of all kinds (including but not limited to shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, including in subsidiaries, associates, joint ventures, whether in India or abroad),licenses, furniture, fixtures, machinery, office equipment, computers, fixed assets, current assets (including, without limitation, all inventories, stock-in-trade or stock-in-transit, supplies, finished goods, packaging items, wherever located), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- b.** all permissions, approvals, consents, subsidies, privileges, permits, quotas, rights, claims, entitlements, refunds, registrations (including relating to sales tax, service tax, excise duty, value added tax (hereafter “VAT”), entry tax, octroi, Goods and Services Tax (hereafter “GST”)), licenses (including all licenses, benefits and approvals relating to EXPORTS), clearances, exemptions, authorizations, no objection certificates, registrations, income tax benefits and exemptions, indirect tax benefits and exemptions (including, but not limited to credits in respect of income tax, sales tax, service tax, excise duty, VAT, turnover tax, GST, tax credits, tax refunds, all tax holiday, including its continued benefits, incentives, exemptions, concessions and other benefits or privileges, security transaction tax, Minimum Alternate Tax (hereafter “MAT”) credit, duty entitlement credit certificates), all other rights, benefits and Transferor Company Liabilities related thereto, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;

- c. all contracts, agreements, concessions (of any nature and any rights therein or thereto or thereunder), memoranda of understanding, letters of intent, other arrangements, undertakings, deeds, bonds, insurance covers and claims, clearances and other instruments of whatsoever nature and description, if any, whether written, oral or otherwise, to which the Transferor Company is a party to, or to the benefit of which the Transferor Company may be eligible;
- d. intellectual property rights of any nature whatsoever, books, records, files, papers, software licenses (whether proprietary or otherwise), and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company along with any and all goodwill of the Transferor Company;
- e. right to any claim not presented or made by the Transferor Company in respect of refund of any tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any Law made by any Governmental Authority, and in respect of set-off, carry forward of accumulated losses, unabsorbed depreciation and MAT credit, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under and in accordance with any Law, whether in India, or anywhere outside India; and
- f. all Transferor Company Liabilities, lien, security or Encumbrance in relation thereto, whether in Indian rupees or foreign currency.

It is intended that the definition of 'Undertaking' under this Clause would enable the transfer of all property, assets, rights, duties, licenses of the Transferor Company and Transferor Company Liabilities into the Transferee Company pursuant to this Scheme.

2. AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEE COMPANY

- 2.1** Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire Undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the Tribunal and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, be and stand transferred to and vested in and/ or deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, deed, instrument, matter so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

- 2.2** All the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date. Such delivery shall be made on a date which shall be mutually agreed upon between the Transferor Company and the Transferee Company on or after the Effective Date.
- 2.3** Upon this Scheme becoming effective, the Unsecured creditors of the Transferor Company and/or other holders of security over the properties of the Transferor Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferor Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company and the Unsecured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company with the Transferee Company, (a) the Unsecured creditors of the Transferor Company and/or other holders of security over the properties of the Transferor Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets of the Transferor Company which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company and (b) the Unsecured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferor Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.
- 2.4** Upon the Scheme coming into effect and with effect from the Appointed Date, in respect of any assets of the Transferor Company other than those mentioned in Clause 4.2 above, including actionable claims, sundry debtors, outstanding loans and advances, if any, all kind of banking accounts including but not limited to current and saving accounts, term deposits, recoverable in cash or kind or for value to be received and deposits, if any, with any person including any Governmental Authority, semi-Government, local and other authorities and bodies and customers, shall, without any further act, instrument or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to

be transferred to and vested in the Transferee Company. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.

- 2.5** Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property (including but not limited to freehold and leasehold properties, and any work-in-progress) of the Transferor Company, and any document of title, rights, interest and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, as a successor of the Transferor Company, without any act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay appropriate rent, rates, taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the title to the immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate Governmental Authorities and third parties pursuant to the sanction of the Scheme by the Tribunals and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. It is clarified that the Transferee Company shall be liable to pay the applicable stamp duty upon the order of the Tribunal sanctioning the scheme.
- 2.6** Upon coming into effect of the Scheme and with effect from the Appointed Date, all Transferor Company Liabilities, and duties and obligations of the Transferor Company, as on or after the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other Transferor Company Liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall, pursuant to the Tribunal Order(s) or such other Governmental Authority as may be applicable under the provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the Transferor Company Liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company.
- 2.7** Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes. For the avoidance of doubt, it is clarified that upon the Scheme coming into effect and with effect from the Appointed Date, to the extent there are inter-corporate loans, deposits, obligations, balances or other outstanding as between the Transferor Company inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

- 2.8** Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-se contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company. With effect from the Appointed Date, there will be no accrual of income or expense on account of any transactions, including inter-alia any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Company and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, there will be no accrual of interest or other charges in respect of any inter se loans, deposits or balances between the Transferor Company and the Transferee Company.
- 2.9** Upon coming into effect of the Scheme, all taxes (including but not limited to income tax, sales tax, excise duty, service tax, VAT, GST) paid or payable by the Transferor Company in respect of their respective operations and/or the profits of businesses, on account of the Transferor Company and, in so far as it relates to tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the operations and/or the profits of the business after the Appointed Date shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.
- 2.10** Upon coming into effect of the Scheme, all the profits or income, taxes (including any carry forward accumulated losses, unabsorbed depreciation, advance tax, tax deducted at source, foreign tax credit and MAT credit as per applicable tax laws) or any costs, charges, expenditure accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purposes be treated and deemed to be and accrue from the Appointed Date as the profits or income, taxes (including any carry forward of accumulated tax losses, unabsorbed depreciation, advance tax, tax deducted at source, foreign tax credit, MAT credit in terms of applicable tax laws), costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 2.11** For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of relevant Laws, consents, approvals, permissions, all licenses including EPCG licenses, UNITED STATES Environmental Protection Agency(EPA) Licenses, GPCB Licenses, SIA licenses and approvals, registrations, certificates, grants, concessions, authorities (including for the operation of bank accounts and demat accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits and liabilities under the same shall, in so far as they relate to the Transferor Company and all quality certifications and approvals, permits, quotas,

rights, entitlements, tenancies, immovable properties, patents and domain names, copyrights, brands, trade secrets, product registrations and other intellectual and industrial property and all other interests relating to the goods or services being dealt with by the Transferor Company, shall without any further act or deed be transferred to and vested in the Transferee Company under the same terms and conditions as were applicable to the Transferor Company immediately prior to the coming into effect of this Scheme. In so far as the various incentives, sales tax, deferral benefits, subsidies (including applications for subsidies), available tax credits (including MAT credit, if any), rehabilitation schemes, grants, permissions, approvals, sanctions, remissions, special reservations, income tax benefits and exemptions, all tax holiday, including its continued benefits, incentives, exemptions, concessions and other benefits or privileges, concessions, special status and other benefits or privileges enjoyed, granted by any person (including any Governmental Authority), or availed of or to be availed of by the Transferor Company is concerned, the same shall, without any further act or deed, in so far as they relate to the Transferor Company, vest with and be available to the Transferee Company on the same terms and conditions as were applicable immediately prior to the coming into effect of this Scheme. The Transferee Company may apply for the endorsement of the Governmental Authorities as may be required under Applicable Law and shall file the relevant intimations, if any, for the record of the Governmental Authorities who shall take them on file, pursuant to the Scheme coming into effect.

- 2.12** For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant consents, approvals, patents, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of Directors of the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the Tribunal Order(s) and shall be considered as an integral part of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable, on behalf of the Transferor Company and to carry out or perform all such formalities or compliance required for the purpose of implementation of the provisions of the Scheme.
- 2.13** On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts, demat accounts, if any, of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of

the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

- 2.14** For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date and till such time the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, deposit slips, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

3. CONSEQUENTIAL TAX MATTERS

- 3.1** Upon the Scheme becoming effective, the Transferee Company shall have the right to revise their respective tax returns along with prescribed forms, filings and annexures under the IT Act (even in a case where the due date to revise the income tax returns have expired under the provisions of the IT Act), and laws in relation to the GST, central sales tax, applicable State VAT, entry tax, service tax, excise duty and other tax laws, and to claim refunds and/or credit for taxes paid (including advance tax, self-assessment tax, tax deducted at source, MAT, foreign tax credit, dividend distribution tax, wealth tax, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 3.2** All tax assessment/adjudication proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date by the Transferor Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company

in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

- 3.3** Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 3.4** Any refund, under the IT Act and laws in relation to service tax, excise duty, central sales tax, applicable state VAT, entry tax, customs, foreign trade policy, GST, State industrial and incentive policies and schemes or other Applicable Laws or regulations dealing with taxes or duties or levies due to Transferor Company consequent to the assessment made on Transferor Company (including any refund for which no credit is taken in the accounts of the Transferor Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 3.5** The tax payments (including, without limitation income tax, dividend distribution tax, service tax, excise duty, central sales tax, applicable state VAT, entry tax, customs, GST etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 3.6** Further, any tax deducted at source by Transferor Company or the Transferee Company on transactions with the Transferee Company or the Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax / advance tax deducted at source paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 3.7** Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.
- 3.8** All intangible assets (including but not limited to goodwill) belonging to but not recorded in the books of account of the Transferor Company and all intangible assets (including but not limited to goodwill) arising or recorded in the process of the amalgamation in books of account of Transferee Company shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the IT Act and Transferee Company shall be eligible for depreciation on the same at the prescribed rates.
- 3.9** For the period after the Appointed Date, all its continued benefits, incentives, exemptions, concessions and other benefits or privileges enjoyed by the Transferor Company granted by any government body, regulatory authority, local authority, by any other person or law or availed of by the Transferor Company, the same shall

without any other further act or deed shall vest with and be available to the Transferee Company on the same terms and conditions.

3.10 Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, MAT, tax deducted at source, foreign tax credit, dividend distribution tax, wealth tax, service tax, excise duty, central sales tax, applicable state VAT, customs duty, foreign trade policy benefits, State industrial policy and incentive schemes, drawback, etc.) to which the Transferor Company is entitled to, shall be available to and vest in the Transferee Company, in terms of Applicable Laws, upon this Scheme coming into effect.

3.11 Upon the coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

4. LEGAL PROCEEDINGS:

4.1 If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the “Legal Proceedings”) by or against the Transferor Company are pending on the Effective Date, the same shall not abate / be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but on and from the Effective Date, the Legal Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

4.2 It is clarified that until this Scheme comes into effect, the Transferor Company shall in consultation with the Transferee Company continue and enforce the Legal Proceedings whether pending or initiated pending the coming into effect of this Scheme.

5. DISSOLUTION OF THE TRANSFEROR COMPANY:

5.1 On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up without any further act by the Transferor Company and the Transferee Company.

- 5.2** On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the RoC. The Transferee Company shall make all necessary filings in this regard.
- 5.3** Any obligations or steps which need to be undertaken by the Transferor Company pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

6. CONSIDERATION:

- 6.1** Upon coming into effect of this Scheme, the Equity and Preference shares held by the Transferee Company in the Transferor Company shall stand automatically cancelled with effect from the Effective Date without any further application, act or deed and no consideration shall be issued against the same.
- 6.2** The entire issued, subscribed and paid up Equity and Preference share capital of TCPL is held by the BODAL. In other words, the TCPL is the wholly owned subsidiary of the Company. Accordingly, pursuant to this amalgamation, no shares of the Company shall be issued or allotted, or payment made in cash whatsoever in respect of the shares held by the BODAL in TCPL. Upon the Scheme becoming effective, the entire equity and preference share capital of TCPL held by the BODAL alongwith the nominee shareholder shall stand cancelled and extinguished without any further act or deed by the Company. In view of the same, computing the valuation is not required.

Further, the Circular No. CFD/DIL3/CIR/2017/21 dated 10th Day of March, 2017 is not applicable to the Scheme, since the Scheme solely provides for merger of a wholly owned subsidiary with the parent company and in view of the aforesaid, the BODAL is not required to undertake a valuation. However, BODAL has obtained voluntarily report for valuation of shares from Registered Valuer.

- 6.3** Mr. Pinakin Shah, Independent Registered valuer, having IBBI Registration No. IBBI/RV/05/2019/10728 has issued a report on the valuation of shares and have confirmed that the Transferor Company being a Wholly Owned Subsidiary of the Transferee Company, no shares are required to be issued towards consideration. The said Valuation Report have been duly considered by the Board of Directors of the Transferee Company and the Transferor Company.

7. ACCOUNTING TREATMENT

- 7.1** Notwithstanding anything in the other parts of the Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Pooling of

Interest Method' of accounting as per Indian Accounting Standard (In AS) 103 (Business Combination) prescribed under Section 133 of the Act, which is applicable to the Transferee Company since this is a common control business combination.

7.2 Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under:

- (a)** All the assets including intangible assets, whether or not recorded in the books of the Transferor Company and liabilities of the Transferor Company, including reserves shall stand transferred to the Transferee Company, and shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as at the Appointed Date.
- (b)** The investments in the share capital of Transferor Company shall stand cancelled and corresponding effect shall be given in the books of accounts and records of the Transferee Company.
- (c)** Inter-company balances and dues, if any, between both the Transferor Company and the Transferee Company shall stand cancelled and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
- (d)** The difference between the net assets (assets less liabilities) and reserves of the Transferor Company shall be transferred to the Transferee Company, and shall be adjusted in the capital reserve of the Transferee Company.
- (e)** It is hereby clarified that pursuant to this Scheme, all transactions conducted during the period between the appointed date and the effective date relating to the Transferor Company would be duly reflected in the Financial Statements of the Transferee Company, upon the Scheme coming into effect.
- (f)** Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period

- 7.3** In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail and the difference till the Appointed Date will be quantified and adjusted in the Profit and Loss account, to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of a consistent accounting policy.

15. CORPORATE APPROVALS:

- 15.1** The Scheme was placed before the Board of Directors of Transferor Company, at its meeting held on 26th May 2020. The Audit committee of the Applicant Transferee Company in their meeting recommended the scheme to the Board of Directors of the Applicant Transferee Company.
- 15.2** The Scheme was placed before the Board of Directors of the Applicant Transferee Company, at its meeting held on 27th May 2020. The report of the Audit committee was also submitted to the Board of Directors of the Applicant Transferee Company. Based on the aforesaid, the Board of Directors of the Applicant Transferee Company approved the scheme. The meeting of the Board of Directors of Transferee Company, held on 27th May, 2020, was attended by Seven Directors. None of the Directors of Applicant Transferee Company who attended the meeting voted against the Scheme. Thus, the Scheme was unanimously by the Directors of Applicant Transferee Company who attended and voted at the meeting.
- 15.3** The Scheme was placed before the Board of Directors of Transferor Company, at its meeting held on 26th May, 2020. The Board of Directors of Transferor Company unanimously approved the Scheme. The meeting of the Board of Directors of Transferor Company, held on 26th May, 2020, was attended by three directors. None of the Directors of Transferor Company who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the Directors of Transferor Company who attended and voted at the meeting.

16. APPROVALS AND ACTIONS TAKEN IN RELATION TO THE SCHEME:

The transfer of the Undertaking to the Transferee Company is and shall be conditional upon and subject to the following approvals, sanctions, orders and consents:

- 16.1** The Scheme being approved by the requisite majority both by value and number by such classes of shareholders and/or creditors (where applicable) of the Transferor Company and the Transferee Company as may be directed by the Tribunals, as required under Applicable Law.

16.2 Tribunal Order(s) under the provisions of Section 230 read with Section 232 of the Act being obtained by each of the Transferor Company and the Transferee Company from the Tribunal.

16.3 The certified/ authenticated copies of the Tribunal Order(s) sanctioning the Scheme being filed with the RoC by the Transferor Company and the Transferee Company.

16.4 Receipt of any other Governmental Approval to the transfer of the Undertaking and/or the Scheme, if required under Applicable Law.

17. CAPITAL STRUCTURE PRE AND POST AMALGAMATION:

17.1 The pre-amalgamation capital structure of the Applicant Transferee Company is mentioned in paragraph 12 above.

17.2 The pre-amalgamation capital structure of the Transferor Company is mentioned in paragraph 8 above. Post the amalgamation, the Transferor Company shall stand dissolved without being wound up.

18. PRE AND POST AMALGAMATION SHAREHOLDING PATTERN:

The pre and post amalgamation shareholding pattern of the Transferor and Applicant Transferee Company is as follows:

Sr. No	Particulars	Name of Shareholders	Transferor Company		Transferee Company			
			Pre-Amalgamation		Pre - Merger		Post-Merger (Expected)	
			Number of Equity Shares Held	% of Holding	Number of Equity Shares Held	% of Holding	Number of Equity Shares Held	% of Holding
(A)	Promoter and Promoter Group							
1	Indian							
	Individuals/HUF	Sureshbhai Jayantibhai Patel	1	0.00	3,71,12,857	30.34	3,71,12,857	30.34
		Bhavin Suresh Patel	1	0.00	1,04,96,342	8.58	1,04,96,342	8.58
		Ankit Sureshbhai Patel	1	0.00	72,61,072	5.94	72,61,072	5.94
		Meenaben Sureshbhai Patel	1	0.00	52,28,960	4.27	52,28,960	4.27
		Ramesh Prabodhchandra Patel	-	0.00	3,85,299	0.31	3,85,299	0.31
		Rakeshbhai Ravjibhai Patel	1	0.00	44,442	0.04	44,442	0.04
		Bansibhai Maganbhai Patel	1	0.00	31,680	0.03	31,680	0.03
		Ramesh Prabodhchandra Patel-HUF	-		24,390	0.02	24,390	0.02
	Central Governments/State Governments	-		-	-	-	-	
	Bodies Corporate	Bodal Chemicals Ltd	9986089	100.00	-	-	-	-

	Financial Institution/Banks	-			-	-	-	-
	Any Others	-			-	-	-	-
	Sub Total (A) (1)		9986089	100.00	6,05,85,042	49.53	6,05,85,042	49.53
2	Foreign							
	Individuals/Non-Residents	-						
	Individual/Foreign Individual							
	Shakuntala J Patel	-			57,84,740	4.73	57,84,740	4.73
	Rameshbhai Dahyabhai Patel	-			49,45,880	4.04	49,45,880	4.04
	Central Governments/State Governments	-			-	-	-	-
	Bodies Corporate	-			-	-	-	-
	Financial Institution/Banks	-			-	-	-	-
	Any Others	-			-	-	-	-
	Sub Total (A) (2)				1,07,30,620	8.77	1,07,30,620	8.77
	Total Shareholding of Promoter and Promoter Group (A)= (A)1+(A)2		9986089	100.00	7,13,15,662	58.30	7,13,15,662	58.30
(B)	Public Share holding							
	Institution							
	Mutual Funds	-	-		18,62,869	1.52	18,62,869	1.52
	Foreign Portfolio Investors	-	-		54,28,156	4.44	54,28,156	4.44
	Financial Institutions/Banks	-	-		131655	0.11	131655	0.11
	Insurance Companies	-	-		4000	0.00	4000	0.00
	Central Government/State Government(s)/President of India	-	-		7525	0.01	7525	0.01
	Non-Institution							
	Individual share capital upto Rs. 2 Lacs	-	-		2,62,15,803	21.43	2,62,15,803	21.43
	Individual share capital in excess of Rs. 2 Lacs	-	-		59,10,924	4.83	59,10,924	4.83
	NBFCs registered with RBI	-	-		1000	0.00	1000	0.00
	Any Other -Non Institution	-	-					
	IEPF	-	-		6,85,616	0.56	6,85,616	0.56
	Trusts	-	-		33,561	0.03	33,561	0.03
	Foreign Nationals	-	-		2,542	0.00	2,542	0.00
	HUF	-	-		15,43,299	1.26	15,43,299	1.26
	Non-Resident Indian (NRI)	-	-		16,47,170	1.35	16,47,170	1.35
	Clearing Members	-	-		5,47,085	0.45	5,47,085	0.45
	Bodies Corporate	-	-		67,92,298	5.55	67,92,298	5.55
	Director or Director's Relatives	-	-		2,01,000	0.16	2,01,000	0.16
	Total Public Share holding (B)				5,10,14,503	41.70	5,10,14,503	41.70
	Total (A+B)		9986095	100.00	12,23,30,165	100.00	12,23,30,165	100.00

Post the Scheme becoming effective, Trion Chemicals Private Limited shall amalgamate with Bodal Chemicals and hence, post shareholding pattern of Trion Chemicals Private Limited is not applicable.

19. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL ('KMP'):

The Directors, KMP and their relatives of the Applicant Transferee and Transferor Company may not be affected as the entire shareholding in the Transferor Company is held by Applicant Transferee Company. Save as aforesaid, none of the Directors / KMP or their relatives of the Applicant Transferee Company and /or Transferee Company have any material interest in the Scheme.

The details of the present Directors and KMP of the Applicant Transferee Company and their respective shareholdings in the Applicant Transferee Company and Transferor Company as on the date of this notice are as follows:

Sr. No	Name of Director/KMP	Designation	Equity shares in the Applicant Transferee Company	Equity Shares in the Transferor Company
1	Shri Suresh J. Patel	Chairman & Managing Director	37112857	1
2	Shri Bhavin S. Patel	Executive Director	10496342	1
3	Shri Ankit S. Patel	Executive Director	7261072	1
4	Shri Rajshri Gosh	Director - HSE	NIL	NIL
5	Shri Sunil Mehta	Independent Director	200000	NIL
6	Shri Nalin Kumar	Independent Director	NIL	NIL
7	Smt Neha Huddar	Independent Director	1000	NIL
8	Shri Ram Prasad Shrivastava	Independent Director	NIL	NIL
9	Shri Mayur B. Padhya	Chief Financial Officer (CFO)	180750	NIL
10	Shri Ashutosh B Bhatt	Company Secretary (CS)	NIL	NIL

The details of the present Directors and KMP of the Transferor Company and their respective shareholdings in the Transferor Company and Applicant Transferee Company as on the date of this notice are as follows:

Sr. No	Name of Director/KMP	Designation	Equity shares in the Applicant Transferee Company	Equity Shares in the Transferor Company
1	Shri Bansibhai Maganbhai Patel	Director	31680	1
2	Shri Rakesh Ravjibhai Patel	Director	44442	1
3	Shri Shrey Bansibhai Patel	Whole Time Director	NIL	NIL
4	Shri Mayur B. Padhya	Chief Financial Officer (CFO)	180750	NIL

5	Shri Akash D Mevada	Company Secretary (CS)	NIL	NIL
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20. GENERAL:

20.1 The Applicant Transferee Company and the Transferor Company have made a joint application before the Hon'ble National Company Law Tribunal, Ahmedabad Bench for the sanction of the Scheme under Section 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other relevant rules thereunder.

20.2 The amount due by the Applicant Transferor Company to its Secured creditors as on 31st May, 2020 is Rs. Nil. Further, the amount due by the Applicant Transferor Company to its unsecured creditors as on 31st May 2020 is Rs. 805,908,590/- (Rupees Eighty Crores Fifty Nine Lakhs Eight Thousands Five Hundred Ninety Only). Meeting of such unsecured creditors is being convened in terms of the NCLT Order.

20.3 The amount due by the Applicant Transferee Company to its secured creditors as on 31st May 2020 is Rs. 1,904,202,317/- (Rupees One Hundred Ninety Crores Forty Two Lakhs Two Thousand Three Hundred Seventeen Only). Further, the amount due by the Applicant Transferee Company to its unsecured creditors as on 31st May, 2020 is Rs. 1,625,807,105/- (Rupees One Hundred Sixty Two Crores Fifty Eight Lakhs Seven Thousands One Hundred Five Only). Meeting of such secured and unsecured creditors is being convened in terms of the NCLT Order.

20.4 The unsecured creditors of the Applicant Transferee Company whose names are appearing in the records of the Company on the date of the meeting shall be eligible to attend and vote at meeting convened as per the directions of the Tribunal.

20.5 The latest audited financial statements for the year ended March 31, 2020 of the Transferee Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any Unsecured Creditors of the Transferor Company would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be adversely modified in any manner. Hence, the amalgamation and arrangement will not adversely affect the interest of any of the shareholders or creditors.

20.6 There are no winding up proceedings pending against the Transferee Company as of date.

20.7 No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 in respect of the Applicant Transferee Company.

20.8 A copy of the proposed Scheme has been filed by the respective Companies before the concerned Registrar of Companies.

20.9 The Applicant Transferee Company and the Transferor Company are required to seek approvals/ sanctions / no objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director and Income-tax authorities. These approvals will be obtained by the Applicant Transferee Company and the Transferor Company at the relevant time.

20.10 In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and become null and void.

20.11 Names and addresses of the Directors and Promoters of the Applicant Transferee Company as on the date of this notice are as under:

Sr. No.	Name of Director	Address	DIN
1	Shri Suresh J. Patel	32,Basant Bahar, Nr. Stearling Club Bopal, Ahmedabad 380058, Gujarat, India	00007400
2	Shri Bhavin S. Patel	32,Basant Bahar, Nr. Stearling Club Bopal, Ahmedabad 380058, Gujarat, India	00030464
3	Shri Ankit S. Patel	32,Basant Bahar, Nr. Stearling Club Bopal, Ahmedabad 380058, Gujarat, India	02173231
4	Shri Rajarshi Ghosh	D/58 Nirman Complex, R.C.Technical Road, Chanakyapuri, Ghatlodia, Ahmedabad-380 061	08715159
5	Shri Sunil Mehta	7,Basant Bahar Bunglow Bopal Ahmedabad 380058 Gujarat, India	01736527
6	Shri Nalin Kumar	B- 1505 Ashok Towers Dr. S.S. Rao Marg, Parel Mumbai-400012, Maharastra, India	03060741
7	Smt Neha Huddar	1602, Satguru Sharan 1, Chapekar Bandhu Marg, Mulund East Mumbai-400081, Maharastra, India	00092245
8	Shri Ram Prasad Shrivastava	B-404, Kasturi-2,Opp Alay Bunglows, Near Shyamal Cross Road, Satellite, Ahmedabad-380015, Gujarat, India	02227457

Sr. No.	Name of Promoter/ Members of Promoter Group	Address
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1	Sureshbhai Jayantibhai Patel	32,Basant Bahar, Nr. Stearling Club Bopal, Ahmedabad 380058, Gujarat, India
2	Bhavin Suresh Patel	32,Basant Bahar, Nr. Stearling Club Bopal, Ahmedabad 380058, Gujarat, India
3	Ankit Sureshbhai Patel	32,Basant Bahar, Nr. Stearling Club Bopal, Ahmedabad 380058, Gujarat, India
4	Meenaben Sureshbhai Patel	32,Basant Bahar, Nr. Stearling Club Bopal, Ahmedabad 380058, Gujarat, India
5	Ramesh Prabodhchandra Patel	14, Khushman Society, Gurukul Road, Memnagar, Ahmedabad
6	Rakeshbhai Ravjibhai Patel	B/12 Kumbhnath Soc, Ghodasar Maninagar, Ahmedabad 380008
7	Bansibhai Maganbhai Patel	11, Aksharbaug Soc. Maninagar Ahmedabad 380008
8	Ramesh Prabodhchandra Patel-HUF	14, Khushman Society, Gurukul Road, Memnagar, Ahmedabad
9	Shakuntala J Patel	470- East Main St Branford 6405 Ct, USA- 06405
10	Rameshbhai Dahyabhai Patel	236, KENT RD,NEW MILFORD CT, USA- 06776

20.12 Names and addresses of the Directors and Promoters of the Transferor Company as on the date of this notice are as under:

Sr. No.	Name of Director	Address
1	Shri Bansibhai Maganbhai Patel	11, Aksharbaug Soc. Maninagar Ahmedabad 380008
2	Shri Rakesh Ravjibhai Patel	B/12 Kumbhnath Soc, Ghodasar Maninagar, Ahmedabad
3	Shri Shrey Bansibhai Patel	11, Aksharbaug Soc. Maninagar Ahmedabad 380008

Sr. No.	Name of Promoter	Address
1	Bodal Chemicals Limited	Registered office- Plot No. 12-124, GIDC Estate, VATVA, Ahmedabad- 382 445

20.13 Details of Directors of the Applicant Transferee Company who voted in favour/ against/ did not participate on resolution passed at the meeting of the Board of Directors of the Applicant Transferee Company are given below:

Sr. No.	Name of Director	Votes for the Resolution	Votes against the Resolution	Did not vote or participate
1	Shri Suresh J Patel	√	---	---
2	Shri Bhavin S Patel	√	---	---
3	Shri Ankit S Patel	√	---	---
4	Shri Sunil K Mehta	√	---	---
5	Shri Nalin Kumar	√	---	---
6	Smt Neha Huddar	√	---	---
7	Shri Ram Prasad Shrivastava	√	---	---

20.14 Details of Directors of the Transferor Company who voted in favour/ against/ did not participate on resolution passed at the meeting of the Board of Directors of the Transferor Company are given below:

Sr. No.	Name of Director	Votes for the Resolution	Votes against the Resolution	Did not vote or participate
1	Shri Bansibhai Maganbhai Patel	√	---	---
2	Shri Rakesh Ravjibhai Patel	√	---	---
3	Shri Shrey Bansibhai Patel	√	---	---

20.15 For the purpose of the amalgamation of the Applicant Transferee Company with the Transferor Company, a Share Exchange Valuation Report dated 27th May, 2020 has been obtained from Mr. Pinakin Shah, Registered Valuer having IBBI Registration No. IBBI/RV/05/2019/10728, describing the methodology adopted by them in arriving at the share exchange ratio.

20.16 In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Applicant Transferee Company and the Transferor Company, in their separate meetings held on 27th May 2020 and 26th May 2020 respectively, have adopted a report, inter alia, explaining effect of the Scheme on each class of shareholders, KMP, promoters and non-promoter shareholders among others. The Applicant Transferee Company and the Transferor Company does not have any depositors, deposit trustee and debenture trustee. There will be no adverse effect on account of the Scheme as far as the employees and creditors of the Transferor Company and the Transferee Company are concerned.

20.17 The following documents will be open for inspection by the Equity Shareholders of the Applicant Transferee Company at its Corporate office at “BODAL CORPORATE HOUSE”, Beside Maple Green Resi., Nr. Anand Niketan School, Off. S P Ring Road, Thaltej, Ahmedabad-380059, Gujarat, India during working hours on all working days (except Saturdays, Sundays and public holidays) up to the date of the meeting:

1. Copy of Order passed by NCLT in Company Application No. CA (CA) No. 55 of 2020 dated *08th September, 2020* directing Applicant Transferee Company to, inter alia, convene the meeting of its Secured Creditors and Unsecured Creditors.
2. Copy of Application No. CA (CA) No. 55 of 2020 along with annexures filed by the Applicant Transferee company before NCLT.
3. Copy of the Scheme
4. Copy of audit Committee Report dated 27th May 2020 of Applicant Transferee Company.
5. Copy of the Report dated 27th May 2020 adopted by the Board of Directors of Applicant Transferee Company and Transferor Company.
6. Copy of Resolutions dated 27th May, 2020 and 26th May, 2020 passed by the Board of Directors of Applicant Transferee Company and Transferor Company approving the Scheme.
7. Copy of Share Exchange Valuation Report dated 27th May, 2020 as obtained from Mr. Pinakin Shah, Registered Valuer.
8. Copy of the Statutory Auditors Certificate of Applicant Transferee Company i.e. Deloitte Heskins and Sells LLP, Chartered Accountants, having Firm Registration No. 117366W/W-100018 confirming that the Scheme is in compliance with the applicable accounting treatment notified under the Companies Act, 2013 and other generally accepted accounting principles.
9. List of Equity shareholders of the Applicant Transferee Company as on 15th October, 2020.
10. Copy of the intimation letter dated 27th May, 2020 sent to the Stock Exchanges about the proposed Scheme and clarification that prior approval is not necessary in the present case.

11. Copy of Form No. GNL-1 filed by the Applicant Transferee Company with the concerned Registrar of Companies along with challan evidencing filing of the Scheme with the concerned Registrar of Companies.
12. Copy of Memorandum of Association and Articles of Association of the Applicant Transferee Company and Transferor Company.
13. Copy of annual reports of Applicant Transferee Company and Transferor Company for the financial years ended March 31, 2019 and March 31, 2020.
14. Copy of the Register of Directors and KMP and shareholding maintained under section 170 of the Companies Act, 2013, of the Applicant Transferee Company.

This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 and any other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, arrangements and Amalgamations) Rules, 2016.

Considering the rationale and benefits, the Applicant Transferee Company recommends the Scheme for approval of Secured creditors as it is in the best interest of the Company and its stakeholders.

Date: 16th September, 2020

Registered Office:

Plot No. 123 and 124,

Phase -1 GIDC, Vatva,

Ahmedabad- 382445, Gujarat, India.

E-mail: secretarial@bodal.com

Website: www.bodal.com

Phone No. 079 68160100

SCHEME OF AMALGAMATION
OF
TRION CHEMICALS PRIVATE LIMITED
(Transferor Company)
WITH
BODAL CHEMICALS LIMITED
(Transferee Company)
(UNDER SECTIONS 230 to 232 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013)

PREAMBLE

I. DESCRIPTION OF THE COMPANIES:

- (a) Bodal Chemicals Limited(CIN:L24110GJ1986PLC009003) (hereinafter referred to as **“BODAL”** or **“Transferee Company”**) is a listed public limited company incorporated under the Companies Act, 1956having its registered office at Plot No. 123-124, Phase-1, GIDC Estate, Vatva, Ahmedabad 382 445 in the state of Gujarat. The Transferee Company is *inter alia* engaged in the manufacturing as well as trading in all kinds of dyestuffs, dyes intermediates and basic and other chemicals etc; Company is also engaged in export and import of all such products.
- (b) Trion Chemicals Private Limited (CIN: U51900GJ2009PTC056781) (hereinafter referred to as **“TCPL”** or **“Transferor Company”**) is a private Limited company incorporated under the Companies Act, 1956 having its registered office atPlot No. 123-124, Phase-1, GIDC Estate, Vatva, Ahmedabad 382 445 in the state of Gujarat. The Transferor Companyis presently engaged in the Manufacturing and trading of specialty chemicals i.e. Trichloroisocyanuric Acid (TCCA) that is mainly used for water purification and other related purposes. It is a Wholly Owned Subsidiary of Bodal Chemicals Limited, the Transferee Company.

II. FACTS, RATIONALE AND BENEFITS:

The Transferee Company is the sole shareholder in the Transferor Company holding 100% shares alongwith a nominee. It has been realised by the Board of Directors of both the companies that the amalgamation of both these companies shall be helpful to achieve the following objectives:-

- (a) The commercial activities of both the companies are of similar nature and amalgamation will result in business and operational synergies in terms of complete integration of facilitates which would result in optimum utilization of capital and resources and reduction in overall operating and maintenance cost and benefits of economies of scale.
- (b) simplify management structure, leading to better administration and a reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business

- processes, and the elimination of duplication, and rationalization of administrative expenses;
- (c) The amalgamation will result in reduction in the multiplicity of legal and regulatory compliances and reduced costs.
 - (d) Simplify shareholding structure and reduce shareholding tiers;

In view of the aforesaid, the Board of Directors of both the companies have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act and other relevant provisions of the Act, and other Applicable Laws.

1. **DEFINITIONS:**

In this Scheme unless the meaning or context otherwise requires (i) terms defined in the introductory paragraphs above shall have the same meanings throughout this Scheme; and (ii) the following words or expressions, wherever used, (including in the introductory paragraphs above) shall have the meanings set out below:

- 1.1 **“Act”** means the Companies Act, 2013, including any rules, regulations, circulars, directions or guidelines issued thereunder or any statutory modifications or re-enactments or amendments thereof from time to time;
- 1.2 **“Appointed Date”** means April 1, 2019;
- 1.3 **“Effective Date”** means the date on which the last of conditions referred to in Clause 18 hereof have been fulfilled;
- 1.4 **“Scheme of Amalgamation”** or **“this Scheme”** or **“the Scheme”** means this Scheme of Amalgamation in its present form or with any modifications made under Clause 17 of the Scheme or any modifications approved or directed by the Tribunals or any other Governmental Authority;
- 1.5 **“Transferee Company”** means Bodal Chemicals Limited a public limited company incorporated under the Companies Act, 1956, having its registered office at Plot No. 123-124, Phase-1, GIDC Estate, Vatva, Ahmedabad 382 446 in the state of Gujarat
- 1.6 **“Transferor Company”** means Trion Chemicals Private Limited, a private limited company incorporated under the Companies Act, 1956, having its registered office at Plot No. 123-124, Phase-1, GIDC

Estate, Vatva, Ahmedabad 382 445 in the state of Gujarat.

1.7“**Tribunal**” means National Company Law Tribunal, Ahmedabad Bench having jurisdiction in relation to the Transferee Company and the Transferor Company;for approving the scheme of arrangement, compromise or reconstruction of a company under Section 230 to 232 of the Act;

1.8“**Undertaking**” means all the undertaking and entire business of the Transferor Company including, without limitation:

(a)all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, work-in-progress, present, future or contingent of whatsoever nature) of the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company(including, without limitation, the freehold and leasehold properties of the Transferor Company), investments of all kinds (including but not limited to shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates, including in subsidiaries, associates, joint ventures, whether in India or abroad),licenses, furniture, fixtures, machinery, office equipment, computers, fixed assets, current assets (including, without limitation, all inventories, stock-in-trade or stock-in-transit, supplies, finished goods, packaging items, wherever located), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company,

whether in India or abroad;

- (b) all permissions, approvals, consents, subsidies, privileges, permits, quotas, rights, claims, entitlements, refunds, registrations (including relating to sales tax, service tax, excise duty, value added tax (hereafter "**VAT**"), entry tax, octroi, Goods and Services Tax (hereafter "**GST**")), licenses (including all licenses, benefits and approvals relating to **EXPORTS**), clearances, exemptions, authorizations, no objection certificates, registrations, income tax benefits and exemptions, indirect tax benefits and exemptions (including, but not limited to credits in respect of income tax, sales tax, service tax, excise duty, VAT, turnover tax, GST, tax credits, tax refunds, all tax holiday, including its continued benefits, incentives, exemptions, concessions and other benefits or privileges, security transaction tax, Minimum Alternate Tax (hereafter "**MAT**") credit, duty entitlement credit certificates), all other rights, benefits and Transferor Company Liabilities related thereto, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- (c) all contracts, agreements, concessions (of any nature and any rights therein or thereto or thereunder), memoranda of understanding, letters of intent, other arrangements, undertakings, deeds, bonds, insurance covers and claims, clearances and other instruments of whatsoever nature and description, if any, whether written, oral or otherwise, to which the Transferor Company is a party to, or to the benefit of which the Transferor Company may be eligible;
- (d) all intellectual property rights of any nature whatsoever, books, records, files, papers, software licenses (whether proprietary or otherwise), and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company along with any and all goodwill of the Transferor Company;
- (e) right to any claim not presented or made by the Transferor Company in respect of refund of any tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any Law made by any Governmental Authority, and in respect of set-off, carry forward

of accumulated losses, unabsorbed depreciation and MAT credit, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under and in accordance with any Law, whether in India, or anywhere outside India; and

(f) all Transferor Company Liabilities, lien, security or Encumbrance in relation thereto, whether in Indian rupees or foreign currency.

It is intended that the definition of 'Undertaking' under this Clause would enable the transfer of all property, assets, rights, duties, licenses of the Transferor Company and Transferor Company Liabilities into the Transferee Company pursuant to this Scheme.

2. **DATE OF TAKING EFFECT**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. **JUSTIFICATION FOR APPOINTED DATE**

The draft Scheme for the said amalgamation was prepared and Registered Valuer was appointed to get Valuation Report in the month of March 2020 on the basis of the latest audited financial statements as on 31st March 2019, with appointed date 01st April, 2019. Relevant consultants were also appointed for the said work in March, 2020. Further, company has also planned Board meeting to considered scheme in month of March, 2020, however, due to wide spread of COVID-19 in India, Global Pandemic situation and starting of complete lock down throughout the country for a long time, during the month of March 2020, the Company was unable to complete the requisite formalities like passing the Board Resolutions, submission of the Scheme to the concerned Stock Exchanges and to file the proceedings with the Tribunal, within the stipulated time, viz. 12 months from the date of the last financial year. Since the proposed Scheme involves amalgamation of a Wholly Owned Subsidiary with the Parent Company, which is a listed company, the proposed Appointed date shall not be prejudicial to any of the stake holders or to the public interest. Due to the extra ordinary circumstances and unforeseen Act of God, it is not practical or advisable to make any

change in the originally proposed Appointed Date, as it will be practically impossible to prepare another set of audited financial statements of any later date, get the revised Valuation Report etc. in the near future. It is reiterated that the proposed Appointed Date of 1st April 2019 shall not adversely affect the rights and interest of any of the stakeholders and that of the public at large.

4. **SHARE CAPITAL**

4.1. The share capital of the Transferor Company as on March 31, 2019 is as under:

Particulars	Amount in Rs.
<u>Authorised</u>	
1,00,00,000 equity shares of ₹ 10/- each	10,00,00,000
75,00,000 Preference Shares of Rs. 10/- each	7,50,00,000
Total	17,50,00,000
<u>Issued Subscribed & Paid-up</u>	
99,86,095 equity shares of ₹ 10/- each	9,98,60,950
46,00,000 preference shares of Rs.10/- each	4,60,00,000
Total	14,58,60,950

There is no change in the capital structure of the company since the above referred date.

4.2. The share capital of the Transferee Company as on March 31, 2019 is as under:

Particulars	Amount in Rs.
<u>Authorised</u>	
13,50,00,000 equity shares of Rs. 2/- each	27,00,00,000
2,50,00,000 preference shares of Rs. 10/- each	25,00,00,000
Total	52,00,00,000
<u>Issued, Subscribed & Paid-up</u>	
12,21,88,765 equity shares of Rs. 2/- each fully paid-up	24,43,77,530
Total	24,43,77,530

There is change in the capital structure of the company since the above referred date. Authorised Share Capital has been reclassified by

the members through Postal Ballot as on 28th June, 2019. The company has issued and allotted 1,41,400 equity shares under ESOP Scheme as on 21-05-2019. The Current capital structure is mentioned as below:.

Particulars	Amount in Rs.
<u>Authorised</u>	
16,00,00,000 equity shares of Rs. 2/- each	32,00,00,000
2,00,00,000 preference shares of Rs. 10/- each	20,00,00,000
Total	52,00,00,000
<u>Issued, Subscribed & Paid-up</u>	
12,23,30,165 equity shares of Rs. 2/- each fully paid-up	24,46,60,330
Total	24,46,60,330

5. **AMALGAMATION OF TRANSFEROR COMPANY WITH TRANSFEREE COMPANY**

5.1. Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of the Scheme, the entire Undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the Tribunal and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, be and stand transferred to and vested in and/ or deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, deed, instrument, matter so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

5.2. All the movable assets of the Transferor Company and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date. Such delivery shall be made on a date which shall be mutually agreed upon between the Transferor Company and the Transferee Company on

or after the Effective Date.

5.3. Upon this Scheme becoming effective, the secured creditors of the Transferor Company and/or other holders of security over the properties of the Transferor Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferor Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company and the secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company with the Transferee Company, (a) the secured creditors of the Transferor Company and/or other holders of security over the properties of the Transferor Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets of the Transferor Company which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company and (b) the secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferor Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

5.4. Upon the Scheme coming into effect and with effect from the Appointed Date, in respect of any assets of the Transferor Company other than those mentioned in Clause 4.2 above, including actionable claims, sundry debtors, outstanding loans and advances, if any, all kind of banking accounts including but not limited to current and saving accounts, term deposits, recoverable in cash or kind or for value to be received and deposits, if any, with any person including any Governmental Authority, semi-Government, local and other authorities and bodies and customers, shall, without any further act, instrument

or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company. The Transferee Company shall upon sanction of the Scheme be entitled to the delivery and possession of all documents of title of such movable property in this regard.

5.5. Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property (including but not limited to freehold and leasehold properties, and any work-in-progress) of the Transferor Company, and any document of title, rights, interest and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, as a successor of the Transferor Company, without any act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay appropriate rent, rates, taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the title to the immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate Governmental Authorities and third parties pursuant to the sanction of the Scheme by the Tribunals and upon the Scheme becoming effective in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company and/ or the Transferee Company. It is clarified that the Transferee Company shall be liable to pay the applicable stamp duty upon the order of the Tribunal sanctioning the scheme.

5.6. Upon coming into effect of the Scheme and with effect from the Appointed Date, all Transferor Company Liabilities, and duties and obligations of the Transferor Company, as on or after the Appointed Date whether provided for or not in the books of accounts of the Transferor Company, and all other Transferor Company Liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall, pursuant to the Tribunal Order(s) or such other Governmental Authority as may be applicable under the provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the Transferor Company Liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the

Transferor Company.

- 5.7. Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes. For the avoidance of doubt, it is clarified that upon the Scheme coming into effect and with effect from the Appointed Date, to the extent there are inter-corporate loans, deposits, obligations, balances or other outstanding as between the Transferor Company inter-se and/or the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.
- 5.8. Without prejudice to the above provisions, upon the Scheme coming into effect and with effect from the Appointed Date, all inter-se contracts solely between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company. With effect from the Appointed Date, there will be no accrual of income or expense on account of any transactions, including *inter-alia* any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Company and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, there will be no accrual of interest or other charges in respect of any inter se loans, deposits or balances between the Transferor Company and the Transferee Company.
- 5.9. Upon coming into effect of the Scheme, all taxes (including but not limited to income tax, sales tax, excise duty, service tax, VAT, GST) paid or payable by the Transferor Company in respect of their respective operations and/or the profits of businesses, on account of the Transferor Company and, in so far as it relates to tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the operations and/or the profits of the business after the Appointed Date shall be deemed to be the corresponding item paid by the Transferee Company,

and shall, in all proceedings, be dealt with accordingly.

5.10. Upon coming into effect of the Scheme, all the profits or income, taxes (including any carry forward accumulated losses, unabsorbed depreciation, advance tax, tax deducted at source, foreign tax credit and MAT credit as per applicable tax laws) or any costs, charges, expenditure accruing or arising to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purposes be treated and deemed to be and accrue from the Appointed Date as the profits or income, taxes (including any carry forward of accumulated tax losses, unabsorbed depreciation, advance tax, tax deducted at source, foreign tax credit, MAT credit in terms of applicable tax laws), costs, charges, expenditure or losses of the Transferee Company, as the case may be.

5.11. For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of this Scheme and with effect from the Appointed Date, in accordance with the provisions of relevant Laws, consents, approvals, permissions, all licenses including EPCG licenses, UNITED STATES Environmental Protection Agency(EPA) Licenses, GPCB Licenses, SIA licenses and approvals, registrations, certificates, grants, concessions, authorities (including for the operation of bank accounts and demat accounts), powers of attorneys given by, issued to or executed in favour of the Transferor Company, and the rights and benefits and liabilities under the same shall, in so far as they relate to the Transferor Company and all quality certifications and approvals, permits, quotas, rights, entitlements, tenancies, immovable properties, patents and domain names, copyrights, brands, trade secrets, product registrations and other intellectual and industrial property and all other interests relating to the goods or services being dealt with by the Transferor Company, shall without any further act or deed be transferred to and vested in the Transferee Company under the same terms and conditions as were applicable to the Transferor Company immediately prior to the coming into effect of this Scheme. In so far as the various incentives, sales tax, deferral benefits, subsidies (including applications for subsidies), available tax credits (including MAT credit, if any), rehabilitation schemes, grants, permissions, approvals, sanctions, remissions, special reservations, income tax benefits and exemptions, all tax holiday, including its continued benefits, incentives, exemptions, concessions

and other benefits or privileges, concessions, special status and other benefits or privileges enjoyed, granted by any person (including any Governmental Authority), or availed of or to be availed of by the Transferor Company is concerned, the same shall, without any further act or deed, in so far as they relate to the Transferor Company, vest with and be available to the Transferee Company on the same terms and conditions as were applicable immediately prior to the coming into effect of this Scheme. The Transferee Company may apply for the endorsement of the Governmental Authorities as may be required under Applicable Law and shall file the relevant intimations, if any, for the record of the Governmental Authorities who shall take them on file, pursuant to the Scheme coming into effect.

5.12. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure (i) implementation of the provisions of the Scheme; (ii) uninterrupted transfer of the relevant consents, approvals, patents, permissions, licenses, registrations, certificates etc.; and (iii) continued vesting of the benefits, exemptions available to the Transferor Company in favour of the Transferee Company, the Board of Directors of the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable and the same shall be considered as giving effect to the Tribunal Order(s) and shall be considered as an integral part of this Scheme. Further, the Transferee Company shall be deemed to be authorized to execute or enter into necessary documentations with any regulatory authorities or third parties, if applicable, on behalf of the Transferor Company and to carry out or perform all such formalities or compliance required for the purpose of implementation of the provisions of the Scheme.

5.13. On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts, demat accounts, if any, of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

5.14. For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that with effect from the Effective Date and till such time the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, deposit slips, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

6. CONSEQUENTIAL TAX MATTERS

- 6.1. Upon the Scheme becoming effective, the Transferee Company shall have the right to revise their respective tax returns along with prescribed forms, filings and annexures under the IT Act (even in a case where the due date to revise the income tax returns have expired under the provisions of the IT Act), and laws in relation to the GST, central sales tax, applicable State VAT, entry tax, service tax, excise duty and other tax laws, and to claim refunds and/or credit for taxes paid (including advance tax, self-assessment tax, tax deducted at source, MAT, foreign tax credit, dividend distribution tax, wealth tax, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 6.2. All tax assessment/adjudication proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be

continued and/or enforced until the Effective Date by the Transferor Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

- 6.3. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.
- 6.4. Any refund, under the IT Act and laws in relation to service tax, excise duty, central sales tax, applicable state VAT, entry tax, customs, foreign trade policy, GST, State industrial and incentive policies and schemes or other Applicable Laws or regulations dealing with taxes or duties or levies due to Transferor Company consequent to the assessment made on Transferor Company (including any refund for which no credit is taken in the accounts of the Transferor Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 6.5. The tax payments (including, without limitation income tax, dividend distribution tax, service tax, excise duty, central sales tax, applicable state VAT, entry tax, customs, GST etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Company after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 6.6. Further, any tax deducted at source by Transferor Company or the Transferee Company on transactions with the Transferee Company or the Transferor Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax / advance tax deducted at source paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.
- 6.7. Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company.

- 6.8. All intangible assets (including but not limited to goodwill) belonging to but not recorded in the books of account of the Transferor Company and all intangible assets (including but not limited to goodwill) arising or recorded in the process of the amalgamation in books of account of Transferee Company shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the IT Act and Transferee Company shall be eligible for depreciation on the same at the prescribed rates.
- 6.9. For the period after the Appointed Date, all its continued benefits, incentives, exemptions, concessions and other benefits or privileges enjoyed by the Transferor Company granted by any government body, regulatory authority, local authority, by any other person or law or availed of by the Transferor Company, the same shall without any other further act or deed shall vest with and be available to the Transferee Company on the same terms and conditions.
- 6.10. Without prejudice to the generality of the above, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, MAT, tax deducted at source, foreign tax credit, dividend distribution tax, wealth tax, service tax, excise duty, central sales tax, applicable state VAT, customs duty, foreign trade policy benefits, State industrial policy and incentive schemes, drawback, etc.) to which the Transferor Company is entitled to, shall be available to and vest in the Transferee Company, in terms of Applicable Laws, upon this Scheme coming into effect.
- 6.11. Upon the coming into effect of this scheme, all tax compliances under any tax laws by the Transferor Company on or after Appointed Date shall be deemed to be made by the Transferee Company.

7. **LEGAL PROCEEDINGS**

- 7.1. If any suits, actions and proceedings of whatsoever nature (hereinafter referred to as the “**Legal Proceedings**”) by or against the Transferor Company are pending on the Effective Date, the same shall not abate / be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme, but on and from the Effective Date, the Legal Proceedings may be continued and enforced by

or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, in the absence of the Scheme.

7.2. It is clarified that until this Scheme comes into effect, the Transferor Company shall in consultation with the Transferee Company continue and enforce the Legal Proceedings whether pending or initiated pending the coming into effect of this Scheme.

8. **CONTRACTS, DEEDS, BONDS, APPROVALS AND OTHER INSTRUMENTS**

8.1. For avoidance of doubt and without prejudice to the generality of Clause 4 above, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date and without any further act of the Transferor Company and the Transferee Company, all memoranda of understanding, contracts, , no objection certificates, rights, consents, permissions, quotas, deeds, bonds, agreements, arrangements, mortgages, indemnity, incentives, engagements, registrations, schemes, assurances, licenses, insurance policies and claims, business claims, guarantees, powers of attorney, authorities given by, issued to or executed in favour of the Transferor Company, quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and other interests relating to the Undertaking and other instruments (including all tenancies, leases (other than leases entered into between the Transferor Company and the Transferee Company), and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be transferred to and vested in the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company and, shall continue in full force and effect against or in favour of the Transferee Company as the case may be, under the same terms and conditions, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee or obligor

thereto.

- 8.2. It is hereby clarified that by virtue of the provisions of the Scheme and pursuant to the Tribunal Order(s) sanctioning the Scheme, upon the Scheme coming into effect, all rights, services, obligations, liabilities, responsibilities undertaken by or in favour of the Transferor Company under any contractual arrangements shall automatically stand transferred to and vested in and/ or shall be deemed to have been transferred to and vested in the Transferee Company and all benefits to which the Transferor Company is entitled to shall be available to and vested in and/ or shall be deemed to have been available to and vested in the Transferee Company, as a successor-in-interest and the Transferee Company shall be entitled to deal with the same in place and stead of the Transferor Company, as if the same were originally performed or conferred upon or given or issued to or executed in favour of the Transferee Company, and the rights and benefits under the same will be available to the Transferee Company, without any further act or deed. The Transferee Company shall discharge its obligation in respect of the services to be performed/ provided or in respect of payment of service charges under any contractual arrangements instead of the Transferor Company.
- 8.3. Without prejudice to the above, the Transferee Company shall, if so desirable or required or as may be necessary, upon the coming into effect of this Scheme and with effect from the Appointed Date, issue writings to the extent that the Transferor Company is required prior to the Effective Date to issue such writings or confirmations, the Transferee Company shall be entitled to act for and on behalf of and in the name of the Transferor Company, as the case may be. Further, the Transferee Company shall be deemed to be authorized to issue any such writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company.
- 8.4. Without prejudice to the above, it is further clarified that with respect to approvals, permissions, licenses, registrations, consents that may require amendment for the purpose of giving effect to this Scheme and to ensure that there is no change in the entitlements otherwise available to the Transferor Company in the absence of this Scheme, the Transferee Company shall be permitted to use the name and approvals,

permissions, licenses, registrations, consents of the Transferor Company till such approvals, permissions, licenses, registrations, consents are so amended and updated, so as to enable the Transferee Company to continue to avail the entitlements otherwise available to the Transferor Company.

9. **SAVING OF CONCLUDED TRANSACTIONS**

9.1. The transfer of the assets and liabilities of the Transferor Company under Clause 4 above, the continuance of Legal Proceedings under Clause 6 above and the effectiveness of contracts, deeds, bonds, approvals and other instruments under Clause 7 above, shall not affect any transaction or Legal Proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

10. **EMPLOYEES**

10.1. Upon the coming into effect of this Scheme, all the employees of Transferor Company, if any, who are in service on the date immediately preceding the date on which the Scheme finally takes effect, (i.e. the Effective Date) on and from the Effective Date, shall become the employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions than those on which they are engaged by the Transferor Company immediately preceding the Effective Date.

10.2. Transferee Company agrees that the service of all employees of the Transferor Company immediately prior to the coming into effect of this Scheme shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits to which they may be eligible in Transferee Company immediately prior to the coming into effect of this Scheme. Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with Transferor Company, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

10.3. Upon the coming into effect of this Scheme, the Transferee Company shall make all the necessary contributions for such transferred employees and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. Transferee Company will also file relevant intimations to the Governmental Authorities concerned who shall take the same on record and substitute the name of the Transferor Company for the Transferee Company.

10.4. In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by Transferor Company for employees, shall be transferred to the necessary funds, schemes or trusts of Transferee Company and till the time such necessary funds, schemes or trusts are created by Transferee Company, all contribution shall continue to be made to the existing funds, schemes or trusts of Transferor Company.

11. **CONDUCT OF BUSINESS TILL EFFECTIVE DATE**

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

11.1.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its businesses and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of, and in trust for, the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

11.1.2. All the profits or income, taxes (including any carry forward accumulated losses, unabsorbed depreciation, advance tax, tax deducted at source, foreign tax credit and MAT credit) or any costs, charges, expenditure accruing to the Transferor Company or expenditure or losses arising or incurred or suffered by the Transferor Company shall for all purpose be treated and be deemed to be and accrue as the profits, taxes, incomes, costs, charges, expenditure or losses of the Transferee Company, as the case may be, and will be available to the Transferee Company for being

disposed of in any manner as it thinks fit, post the Effective Date.

11.2. With effect from the date of the Board of the Transferee Company approving the Scheme and up to and including the Effective Date:

11.2.1. The Transferor Company shall carry on its businesses and activities with reasonable diligence, business prudence and shall not, without the prior written consent of the Transferee Company, venture into new businesses, invest in shares, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the undertaking or any part thereof, except in the ordinary course of business.

11.2.2. The Transferor Company shall not without prior written consent of the Transferee Company undertake any new business.

11.2.3. The Transferor Company shall not take any major policy decisions in respect of its management and for its business and shall not change its present capital structure without the prior written consent of the Transferee Company.

12. **DISSOLUTION OF THE TRANSFEROR COMPANY**

12.1. On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up without any further act by the Transferor Company and the Transferee Company.

12.2. On and with effect from the Effective Date, the name of the Transferor Company shall be struck off from the records of the RoC. The Transferee Company shall make all necessary filings in this regard.

12.3. Any obligations or steps which need to be undertaken by the Transferor Company pursuant to the sanction of this Scheme shall be fulfilled by the Transferee Company.

13. **CONSIDERATION**

13.1. Upon coming into effect of this Scheme, the Equity and Preference shares held by the Transferee Company in the Transferor Company shall stand automatically cancelled with effect from the Effective Date without any further application, act or deed and no consideration shall be issued against the same.

13.2. The entire issued, subscribed and paid up Equity and Preference share capital of TCPL is held by the BODAL. In other words, the TCPL is the wholly owned subsidiary of the Company. Accordingly, pursuant to this amalgamation, no shares of the Company shall be issued or

allotted, or payment made in cash whatsoever in respect of the shares held by the BODAL in TCPL. Upon the Scheme becoming effective, the entire equity and preference share capital of TCPL held by the BODAL alongwith the nominee shareholder shall stand cancelled and extinguished without any further act or deed by the Company. In view of the same, computing the valuation is not required.

Further, the Circular No. CFD/DIL3/CIR/2017/21 dated 10th Day of March, 2017 is not applicable to the Scheme, since the Scheme solely provides for merger of a wholly owned subsidiary with the parent company and in view of the aforesaid, the BODAL is not required to undertake a valuation. However, BODAL has obtained voluntarily report for valuation of shares from Registered Valuer.

13.3 Mr. Pinakin Shah, Independent Registered valuer, having IBBI Registration No. IBBI/RV/05/2019/10728 has issued a report on the valuation of shares and have confirmed that the Transferor Company being a Wholly Owned Subsidiary of the Transferee Company, no shares are required to be issued towards consideration. The said Valuation Report have been duly considered by the Board of Directors of the Transferee Company and the Transferor Company.

14. **ACCOUNTING TREATMENT**

14.1 Notwithstanding anything in the other parts of the Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Pooling of Interest Method' of accounting as per Indian Accounting Standard (In AS) 103 (Business Combination) prescribed under Section 133 of the Act, which is applicable to the Transferee Company since this is a common control business combination.

14.2 Upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under:

- (a) All the assets including intangible assets, whether or not recorded in the books of the Transferor Company and liabilities of the Transferor Company, including reserves shall stand transferred to the Transferee Company, and shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as at the Appointed Date.

- (b) The investments in the share capital of Transferor Company shall stand cancelled and corresponding effect shall be given in the books of accounts and records of the Transferee Company.
 - (c) Inter-company balances and dues, if any, between both the Transferor Company and the Transferee Company shall stand cancelled and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.
 - (d) The difference between the net assets (assets less liabilities) and reserves of the Transferor Company shall be transferred to the Transferee Company, and shall be adjusted in the capital reserve of the Transferee Company.
 - (e) It is hereby clarified that pursuant to this Scheme, all transactions conducted during the period between the appointed date and the effective date relating to the Transferor Company would be duly reflected in the Financial Statements of the Transferee Company, upon the Scheme coming into effect.
 - (f) Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the comparative period
- 14.3 In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail and the difference till the Appointed Date will be quantified and adjusted in the Profit and Loss account, to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of a consistent accounting policy.

15. VALIDITY OF EXISTING RESOLUTIONS, ETC.

- 15.1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions of the shareholders and the Board of Directors of Transferor Company, including resolutions of any committees authorized by and comprising *inter alia* of members of the Board of Directors of Transferor Company, as are considered necessary by the Board of Directors of Transferee Company and which are validly subsisting, shall be considered as resolutions of Transferee Company.
- 15.2. With effect from the Effective Date, the security creation, borrowing and investment limits of the Transferee Company under the Act shall

be deemed without any further act or deed to have been enhanced by the security creation, borrowing and investment limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.

15.3. Any corporate approvals obtained by the Transferor Company, whether for purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

16. **CONSOLIDATION OF AUTHORISED SHARE CAPITAL**

16.1. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorized share capital of the Transferor Company shall be deemed to be combined with the authorized share capital of the Transferee Company (reclassified in case of Equity Shares by reducing face value to Rs. Two(2) per share from existing face value of Rs.Ten(10) per share), without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to the RoC and the stamp duty and fees paid by the Transferor Company on its authorized share capital shall be set-off against any stamp duty and fees payable by the Transferee Company on any increase in the authorized share capital of the Transferee Company pursuant to the Scheme.

16.2. It is clarified that the approval of the Scheme by the members of the Transferee Company shall be deemed approval of the alteration of the memorandum and articles of association of the Transferee Company as required under Sections 13, 14, 61, 64 and other applicable provisions of the Act, and Clause V of the memorandum of association of the Transferee Company and Article 3 of the articles of association of the Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows:

16.3 Clause V of the memorandum of association of the Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

“V. The authorised Share Capital of the Company is Rs. 69,50,00,000/-(Sixty nine crores fifty lakhs only) divided into 21,00,00,000 (twenty one crores) Equity Shares of Rs.2/- each

and 2,75,00,000 (two crores seventy five lakhs) Preference Shares of Rs. 10/- each.”

16.4 For the avoidance of doubt, it is hereby clarified that if the authorized share capital of the Transferor Company or the Transferee Company undergoes any change, either as a consequence of any corporate action or otherwise, then this Clause 15 shall automatically stand modified to take into account the effect of such change.

17. APPLICATIONS TO THE NCLT

17.1. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make applications (as may be applicable) to the National Company Law Tribunal, Ahmedabad Bench for sanctioning this Scheme under Sections 230 to 232 of the Act for an order or orders thereof for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.

17.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any Law for such Governmental Approvals which the Transferee Company may require to own the Undertaking of the Transferor Company and to carry on the business of the Transferor Company.

18. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

18.1. Subject to the approval of Tribunal, the Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee of the Board or persons, may consent, to any modifications or amendments of the Scheme or to any conditions or limitations that the Tribunals or any other Governmental Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Tribunal or such other Governmental Authority for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme, whether in pursuance of a change in Law or otherwise. The Transferor Company and the Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize, including any committee or sub-committee thereof, shall be authorized to take all

such steps as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

18.2. For the purpose of giving effect to this Scheme or to any modification or amendments thereof or additions thereto, the delegate(s) and/ or Director(s) of Transferor Company and the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on the Transferor Company and the Transferee Company, in the same manner as if the same were specifically incorporated in this Scheme.

19. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The transfer of the Undertaking to the Transferee Company is and shall be conditional upon and subject to the following approvals, sanctions, orders and consents:

19.1 The Scheme being approved by the requisite majority both by value and number by such classes of shareholders and/or creditors (where applicable) of the Transferor Company and the Transferee Company as may be directed by the Tribunals, as required under Applicable Law.

19.2 Tribunal Order(s) under the provisions of Section 230 read with Section 232 of the Act being obtained by each of the Transferor Company and the Transferee Company from the Tribunal.

19.3 The certified/ authenticated copies of the Tribunal Order(s) sanctioning the Scheme being filed with the RoC by the Transferor Company and the Transferee Company.

19.4 Receipt of any other Governmental Approval to the transfer of the Undertaking and/or the Scheme, if required under Applicable Law.

20. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION AND WITHDRAWAL OF THE SCHEME

20.1. In the event of any of the said approvals or conditions referred to in Clause 18 above not being obtained and/ or complied with and/or satisfied and/or the Scheme not being sanctioned by the Tribunals and/or Tribunal Order(s) not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect. The Transferor

Company and the Transferee Company shall, in such event, *inter se* bear and pay their respective costs, charges, expenses in connection with the Scheme.

20.2. In the event of revocation under Clause 19.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

20.3. The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to withdraw this Scheme prior to the Effective Date.

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

21. **COSTS**

All past, present and future costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto, shall be borne by the Transferee Company, till the Effective Date. It is further clarified that any costs arising or accruing to the Transferor Company in carrying out and implementing this Scheme or implementation thereof and matters incidental thereto, as on or after the Effective Date, shall for all purpose be treated and be deemed to be arising or accruing as costs of the Transferee Company.

22. **NO CAUSE OF ACTION**

No third party claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action

against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.


Bodal Chemicals Ltd.

COLOURS. INTEGRATION. INNOVATION.

**REPORT OF THE AUDIT COMMITTEE OF BODAL CHEMICALS LTD ("THE COMPANY")
RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF TRION CHEMICALS PVT LTD
WITH BODAL CHEMICALS LTD**

This Report of the Audit Committee is issued in terms of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th Day of March 2017 ("the SEBI Circular"), as amended. The requirements of the said SEBI circulars, inter alia, make it mandatory for the Audit Committee to recommend the draft Scheme of Amalgamation.

Further, the said Circular No. CFD/DIL3/CIR/2017/21 dated 10th Day of March 2017 is not applicable to the Scheme, since the Scheme solely provides for merger of a wholly owned subsidiary with the parent company.

Further, the said Circular No. CFD/DIL3/CIR/2017/21 dated 10th Day of March, 2017 specifies that as the Transferor Company being a Wholly owned subsidiary company, specific prior approval of SEBI and Stock Exchanges are not required. However, the company shall forward the scheme to the said authorities as disclosure.

As per the Valuation report, no consideration required to be given for transfer of undertaking of the Transferor Company as it is the wholly owned subsidiary and it shall not have any impact on the current shareholding pattern of the company.

A meeting of the Audit Committee of Bodal Chemicals Ltd ("the Company") was held on 27th May, 2020, inter-alia, to consider and recommend for Amalgamation of Trion Chemicals Pvt. Ltd. (hereinafter referred to as "the Transferor Company") with Bodal Chemicals Ltd (hereinafter referred to as "the Transferee Company"); On merger, there are no requirement to issue any shares as transferor company is Wholly Owned Subsidiary company of Bodal Chemicals Ltd. The transaction is proposed to be implemented through a Scheme of Amalgamation under the provisions of the Companies Act, 2013, and other applicable provisions, if any (hereinafter collectively referred to as "the proposed Scheme of Amalgamation"/"the proposed Scheme").

The aforesaid Audit Committee meeting was attended by the following Committee members:

Sr. No.	Name of Members	Designation	Status
1	Mr. Sunil K. Mehta	Chairman	Non-Executive & Independent Director
2	Mr. Bhavin S. Patel	Member	Promoter, Executive Director
3	Mr. Nalin Kumar	Member	Non-Executive & Independent Director
4	Mrs Neha Huddar	Member	Non-Executive & Independent Director

Mr. Ashutosh B Bhatt, Company Secretary of the Company was also present as Secretary to the Audit Committee.

HEAD OFFICE:

Plot No. 123-124, Phase-I,
G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

www.bodal.com

CIN No. : L24110GJ1986PLC009003

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 Tel: +91 79 2583 5007
2583 4223, 25831614

Fax: +91 2583 5245, 25836052

E-mail: bodal@bodal.com





Mr. Sunil K. Mehta, Chairman of the Audit Committee chaired the aforesaid Audit Committee Meeting.

The following documents were considered by the Audit Committee meeting:

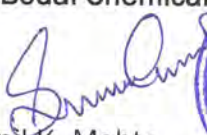
- a) Draft Scheme of Amalgamation, including statement of rationale and justification for the proposed Scheme of Amalgamation;
- b) Appointed date for Amalgamation is 01st April 2019
- c) Audited Financial Statements of the Transferor Company i.e. Trion Chemicals Pvt Ltd for the financial years ended 31st March 2019;
- d) Audited Financial Statements of the Transferee Company i.e. Bodal Chemicals Ltd for the financial years ended 31st March 2019;
- e) Certificate from M/s. Deloitte Haskins & Sells LLP, Statutory Auditors confirming that the accounting treatment contained in the Scheme is in compliance with all the Accounting Standards under Section 133 of the Companies Act, 2013, read with rules framed thereunder or the Accounting Standards issued by the ICAI, as applicable and other generally accepted accounting principles
- f) Report on Valuation of Shares and Share Exchange Valuation Reports dated 27th May, 2020 issued by Mr. Pinakin Shah, Independent Registered Valuer having IBBI Registration No. IBBI/RV/05/2019/10728 providing the share exchange ratio; confirming that the Transferor Company being a Wholly Owned Subsidiary of the Transferee Company, no shares are required to be issued towards consideration

The Committee has reviewed the aforesaid documents and after appraisal of the same, the Audit Committee was satisfied with the valuation, as mentioned in the Valuation Report and the draft Scheme of Amalgamation, to be fair and reasonable:

The Committee also confirmed its concurrence with the rationale for proposed Scheme of Amalgamation.

The Audit Committee unanimously approved the Scheme of Amalgamation of Trion Chemicals Pvt. Ltd. (wholly owned subsidiary of Bodal Chemicals Ltd) With Bodal Chemicals Ltd recommended the same for favourable consideration by the Board of Directors of the Company, the Stock Exchanges, SEBI, National Company Law Tribunal and other competent authorities

By Order of Audit Committee
Of Bodal Chemicals Ltd


Sunil K. Mehta
Chairman of Audit Committee



HEAD OFFICE:

Plot No. 123-124, Phase-1,
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E-mail: bodal@bodal.com

**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
COURT 1**

CA(CAA) 55 of 2020

**Coram: Hon'ble Mr. MADAN BHALCHANDRA GOSAVI, MEMBER (JUDICIAL)
Hon'ble Mr. VIRENDRA KUMAR GUPTA, MEMBER (TECHNICAL)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING THROUGH VIDEO CONFERENCING BEFORE THE
AHMEDABAD BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 08.09.2020**

Name of the Company:

Trion Chemicals Pvt Ltd
Bodal Chemicals Ltd

Section:

Section 230-232 of Companies Act, 2013

ORDER

Learned Counsel Ms. Swati Soparkar appeared for the Petitioner.

The case is fixed for pronouncement of order. The order is pronounced in open Court vide separate sheet.


**(VIRENDRA KUMAR GUPTA)
MEMBER (TECHNICAL)**

Dated this the 8th day of September, 2020


**(MADAN B GOSAVI)
MEMBER (JUDICIAL)**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
AHMEDABAD BENCH
AHMEDABAD**

CA (CAA) No.55/230-232/NCLT/AHM/2020

[An Application filed under Section 230-232 of the Companies Act, 2013 to sanction and approve the composite Scheme of Merger and Amalgamation]

In the matter of:

M/s. Trion Chemicals Private Limited

CIN: U51900GJ2009PTC056781

Having its Registered Office at:

Plot No.123-124, Phase-1,

GIDC Estate, Vatva,

Ahmedabad – 382 445,

Gujarat.

..... Applicant-1/ Transferor Company

M/s. Bodal Chemicals Limited

CIN: L24110GJ1986PLC009003

Having its Registered Office at:

Plot No.123-124, Phase-1,

GIDC Estate, Vatva,

Ahmedabad – 382 445,

Gujarat.

..... Applicant-2/ Transferee Company


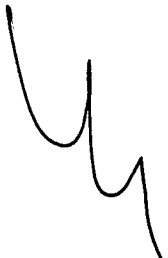
Order delivered on 8th September, 2020

Coram: Madan B. Gosavi, Member (Judicial)

Virendra Kumar Gupta, Member (Technical)

Appearance:

Learned Counsel, Mrs. Swati Soparkar, for the Applicant
Transferor and Transferee Companies.



[Per Bench]
ORDER

1. The applicant companies filed the present application under Section 230-232 of Companies Act, 2013 ("Act") for seeking the dispensation of the meeting of shareholders of the Transferor Company, M/s. Trion Chemicals Private Limited and Transferee Company M/s. Bodal Chemicals Limited, and also seeking the dispensation for the meeting of Secured Creditor of Applicant Transferor Company no.1 and seeking the direction for convening the meetings of Secured Creditor of Applicant Transferee Company no.2 and Secured and Unsecured Applicant Transferor Company No.1.
2. The Counsel for the Applicant Companies submitted that M/s. Bodal Chemicals Limited, the Applicant Transferee Company is a listed public limited company and its equity shares are listed at BSE Limited and National Stock Exchange of India Limited. Since the Transferor Company is a Wholly Owned Subsidiary of the Transferee Company, prior approval from the aforesaid authorities are not necessary. Copy of such intimation is annexed herewith as Annexure- H.
3. It is submitted that both these companies belong to the same group of management. The Transferor Company is the wholly owned subsidiary of the

Applicant Transferee Company. The Transferor Company is primarily engaged in the business of Manufacturing and trading of specialty chemicals i.e. Trichloroisocyanuric Acid (TCCA) that is mainly used for water purification and other related purposes. The Transferee Company is *inter-alia* engaged in the business of manufacturing as well as trading in all kinds of dyestuffs, dyes intermediates and basic and other chemicals etc; Company is also engaged in export and import of all such products.

4. The registered offices of the Applicant Companies are situated in the state of Gujarat and are under the jurisdiction of the National Company Law Tribunal, Bench at Ahmedabad.
5. It is stated that the Scheme of Amalgamation would inter-alia be beneficial for the applicant companies due to following reasons:
 - (a) The commercial activities of both the companies are of similar nature and amalgamation will result in business and operational synergies in terms of complete integration of facilitates which would result in optimum utilization of capital and resources and reduction in overall operating and maintenance cost and benefits of economies of scale.
 - (b) Simplify management structure, leading to better administration and reduction in costs from more

focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;

- (c) The amalgamation will result in reduction in the multiplicity of legal and regulatory compliances and reduced costs.
- (d) Simplify shareholding structure and reduce shareholding tiers;

6. Since the entire Equity and Preference Share Capital of the Applicant Transferor Company is held by the Applicant Transferee Company, no shares are required to be issued by the Transferee Company towards consideration. Further, the Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by SEBI is not applicable to the Scheme, since the Scheme solely provides for merger of a wholly owned subsidiary with the parent company and in view of the aforesaid, the BODAL is not required to undertake any valuation. However, BODAL has obtained voluntarily report for valuation of shares from Registered Valuer.

7. The proposed Scheme of Arrangement was placed before the Audit Committee of the Applicant Transferee Company and thereafter before the Board of Directors of the Transferee Company on 27th May 2020. The

Board of Directors of the Applicant Transferor Company considered the proposed Scheme in its meeting dated 26th May 2020. The Board of Directors of both the Applicant Companies passed a resolution by which, it was resolved that the Scheme of Arrangement, placed before the Board, be submitted to this Authority for its sanction after obtaining the approval from the concerned stock exchanges. Copies of the audit committee report and Board resolutions are annexed to the Application respectively as Annexure F and G.

8. The following are the reliefs prayed by the Applicant Company.

- (A) THAT meeting of the Equity Shareholders and Preference Shareholders of Applicant-1/Transferor Company be directed to convene for the approval and consideration of the Scheme.
- (B) THAT a meeting of the Unsecured Creditors of Trion Chemicals Private Limited, the Applicant Transferor Company be directed be convened to obtain the approval to the Scheme;
- (C) THAT there are no Secured Creditors in the Applicant-1/Transferor Company. Hence, the meeting of the Secured Creditors is not required.
- (D) THAT meeting of the Equity Shareholders of M/s. Bodal Chemicals Limited, the Applicant Transferee Company be dispensed with, In the

alternate, this Tribunal may direct for convening the meetings of all the equity shareholders of Applicant-2/Transferee Company.

In the alternate,

(E) That separate meetings of the Secured Creditors and Unsecured Creditors of the Applicant Transferee Company be directed to be convened through Video Conferencing or other Audio Visual Modes, to obtain the approval to the Scheme.

9. The Learned Counsel of the Applicant Company submitted that as per the latest audit report placed by the Applicant Companies, the details of the shareholders, secured creditors and unsecured creditors as follows:

(i) In case of the Applicant Transferor Company, it has been submitted that the said company, being the wholly owned subsidiary of the Transferee Company, the approval to the proposed scheme has been placed on record in form of consent letters on Affidavits by all the 7 (Seven) Equity shareholders and 1 (One) Preference Shareholder. Consent letters annexed to the present application as Annex.-L-1 and L-2. The certificate from C.A. confirming the same is annexed as Annex. M. Hence the dispensation is sought for the meeting of the Equity Shareholders and Preference Shareholders. The said company has

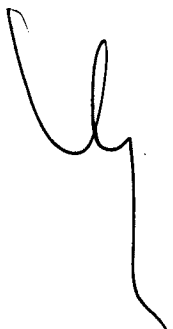
no Secured Creditors, as confirmed by a Chartered Accountant and hence it will not be necessary to convene meeting of the Secured Creditors of the Applicant Transferor Company. However, it has about 72 Unsecured Creditors and the total value of unsecured debt is approx. Rs.80.59 crore as on 31st May 2020. The approval to the Scheme is required to be obtained at the duly convened meeting of Unsecured Creditors. The status of the Secured and Unsecured Creditors of Transferor Company as certified by C.A. is placed on record as Annex. 'N'. Hence, directions are required be issued to convene meeting of unsecured creditors of the Transferor Company.

- (ii) It has been submitted that M/s. Bodal Chemicals Limited, the Applicant Transferee Company is listed public limited company and has more than 45,000 Equity shareholders. Annexure-O provides the details for the Shareholding pattern of Applicant Transferee Company. It has been submitted that the Applicant Transferor Company is a Wholly Owned Subsidiary of the Applicant Transferee Company. Hence, no shares shall be issued as consideration of the said transfer and the present Capital Structure of the Applicant Transferee Company shall not undergo any change. Rights and interest of the shareholders of

the Applicant Transferee Company are not affected in any manner and no scheme is offered to them. In light of the same, prayer is made to dispense with the meeting of the Equity Shareholders of the Applicant Transferee Company.

- (iii) It is further submitted that the Applicant Transferee Company has 3 Secured Creditors having total value of Secured Debt at Rs.190.42 Crores as on 31st May 2020 and around 800 Unsecured Creditors having total value of unsecured debt at Rs.162.58 Crores as on 31st May 2020, as certified by the Chartered Accountant. Annexure-P and Q respectively provide the details for the Secured and Unsecured Creditors of the Applicant Transferee Company. Directions are sought to convene separate meetings of the Secured and Unsecured creditors of the Applicant Transferee Company. It is also prayed that all the meetings be permitted to be convened and conducted through video conferencing and seek the approval of the concerned parties through e voting.

10. The applicant company has stated that there is no winding up petition pending in any Court or Tribunal in India in respect of (any of the) Applicant Company.



11. The applicant companies have submitted that, no investigation, inquiry or proceeding is pending against the Applicant Companies under Section 210 -217, 219, 220, 223 to 227 of the Companies Act, 2013 or Sections 235 to 251 of the Companies Act, 1956.
12. The Applicants have stated that the accounting treatment proposed in the Scheme of Arrangement is inconformity with the accounting standards proposed in terms of clause 14 of the Scheme. Certificates from the respective Statutory Auditors of the Applicant Companies have been filed along with the Application as Annexure J.
13. Having perused the entire material on record, and the submissions made during hearing, this Tribunal passes the following order;

ORDER

14. The meetings of the Equity Shareholders and Preference Shareholders of the Applicant Transferor Company is hereby dispensed with.
15. Meeting of the Secured creditors of the Applicant Transferor Company is not necessary as there are no Secured Creditor.
16. A meeting of the unsecured creditors of the Applicant Transferor Company shall be convened and held on Thursday, 22nd day of October 2020 at 1.30 p.m., for the purpose of considering and, if thought fit, approving the


proposed Scheme of Arrangement, with or without modifications;

17. Considering the contention that the rights and interests of the Equity Shareholders of the Applicant Transferee Company are not in any way affected by the proposed amalgamation of its Wholly Owned Subsidiary, meeting of the Equity Shareholders of the Transferee Company is not necessary.
18. Separate meetings of the Secured Creditors and Unsecured Creditors of the Applicant Transferee Company shall be convened and held on Thursday, 22nd day of October 2020 respectively at 11.30 a.m., and 12.15 p.m. for the purpose of considering and, if thought fit, approving the proposed Scheme of Arrangement, with or without modifications;
19. In view of the recent circulars of Ministry of Corporate Affairs; viz. Circular No. 14 of 2020 dated 8th April 2020, Circular No. 17 of 2020 dated 13th April 2020 and Circular No. 20 of 2020 dated 5th May 2020, all the meetings of Secured and Unsecured creditors of the Applicant Transferee Company as well as the meeting of unsecured creditors of the Applicant Transferor Company shall be convened and conducted through video conferencing or other Audio Visual Means. No physical meetings shall be convened. The Applicant Companies shall appoint a Depository and other required agencies to facilitate the conduct of the meetings.

20. The Applicant Transferee Company being a listed public limited company is governed by the SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and in view of Sections 230 (4) of the Act as well as Rule 6(3)(xi) of the Companies (Management and Administration) Rules, 2014 and SEBI (Listing and Disclosure Requirements Regulations) 2015; it is required to provide facility for remote e-voting to the Public shareholders. However, in view of the above directions for conducting the meeting through video conferencing, The Applicant Company is directed to carry out voting through remote e-voting at the time of meeting for all the Equity Shareholders and report result of the e-voting by Public shareholders separately. The Applicant Companies shall carry out voting for meetings of Secured Creditors as well as Unsecured Creditors by e-voting at the time of meeting.
21. At least one month before the date of the meetings, a notice in Form No. CAA 2 convening the said meetings indicating the day, the date, the time as aforesaid; along with instructions with regard to remote e-voting), together with a copy of the Scheme of Arrangement, copy of the Explanatory Statement required to be sent under Section 102 of the Act, read with Sections 230 and 232 of the Act and Rule 6 of the Companies (CAA) Rules, 2016 shall be sent to each of the Secured Creditors and Unsecured Creditors of the Applicant Transferee Company; and the unsecured creditors of the Applicant Transferor Company at their respective available addresses either through e mail or courier or speed post or registered post. In case of

the Equity Shareholders of the Applicant Transferee Company, the notices shall be sent in reference to the list of the members appearing on record of the Applicant Company as on 30th June 2020. The notices shall be sent to the Secured Creditors and Unsecured Creditors of the Applicant Transferee company, and Unsecured creditors of the Applicant Transferor Company in reference to the list of the persons appearing on record of the Applicant Companies as on 31st May 2020, which is placed on record of the Tribunal and additionally to the creditors added to the said list till the date of the order.

22. It is further directed that in view of Para A(x) of the MCA Circular No. 14/2020 dated 8th April 2020, voting through Proxy shall not be permitted. However, voting through Authorized Representative is permitted.
23. At least one month before the date of meetings, **an advertisement** about convening the aforesaid meetings of Secured Creditors and Unsecured Creditors of the Applicant Transferee Company, and **a separate advertisement** about convening the meeting of Unsecured creditors of the Applicant Transferor Company; indicating the day, the date, the time and the details of modalities for the meeting through video conferencing as aforesaid, shall be published once in English Daily **'Indian Express'** all India Editions and Gujarati translation thereof in Gujarati daily **'Sandesh'** all Gujarat editions. The publication shall also indicate that the statement required to be furnished pursuant to Section 102 of the Act, read with Sections 230



and 232 of the Act can be obtained free of charge at the Registered Office of the Applicant Companies or at the office of the Advocate, i.e. Mrs. Swati Saurabh Soparkar, 301, Shivalik-10, Opp. SBI Zonal Office, S. M. Road, Ambavadi, Ahmedabad 380 015 in accordance with second proviso to sub-section (3) of Section 230 and Rule 7 of the Companies (CAA) Rules, 2016.

24. **Shri Firoj Gaffarbai Bodla, an independent practicing Chartered Accountant and failing him, Shri Raheel Sanjeev Patel, an independent practicing Advocate and failing him, Shri Sunil Mehta, an independent director of the Applicant Transferee Company, are hereby appointed as Chairman of all the meetings of the Applicant Companies to be held on 22nd October 2020 and in respect of any adjournment or adjournments thereof.**
25. **Shri Tapan Shah, having membership No. F4476, practicing Company secretary shall act as the Scrutiniser for the said meetings.**
26. The Chairman appointed for the aforesaid meetings shall issue advertisements and send out notices of the said meetings referred to above. The chairman is free to avail the services of the Applicant Companies or any agency for carrying out the aforesaid directions. The Chairman of the meetings shall have all powers under the Articles of Association of the Applicant Companies and also under Rules, including for deciding any procedural questions,


that may arise at the meetings or adjournment(s) thereof proposed at the said meetings, amendment(s) to the aforesaid Scheme or resolution, if any, proposed at the aforesaid meetings by any person(s); or adjournment(s) thereof proposed at the said meetings, and to ascertain the decision of the meetings on a poll.

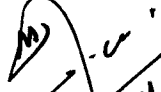
27. The quorum for the meeting of the Secured Creditors of the Applicant Transferee Company quorum shall be 2 (Two) and the quorum for the respective meetings of Unsecured Creditors of both the Applicant Companies shall be 15 (Fifteen) person present in person or through authorized representative.
28. The number and the value of debt of the Secured and Unsecured Creditors of the Company, as the case may be, shall be in accordance with the entries in the books of accounts of the companies for the Secured and Unsecured Creditors; and where the entries in the records are disputed, the Chairman of the meetings shall determine the value for the purposes of the meetings.
29. The Chairman shall file an affidavit not less than 7(seven) days before the date fixed for the holding of the meetings and to report to this Tribunal that the directions regarding issuance of notices and advertisement of the meetings have been duly complied with as per Rule 12 of the Companies (CAA) Rules, 2016.

30. It is further ordered that the Chairman shall report to this Tribunal on the result of the said meetings in Form No CAA4, verified by his affidavit, as per Rule 14 of the Companies (CAA) Rules, 2016 within 30 (Thirty) days of the conclusion of the last of the meetings.
31. In compliance of sub-section (5) of Section 230 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Applicant Companies shall send a notice in Form No.CAA.3 along with disclosures mentioned under Rule 6, to, (i) the Central Government through the Regional Director, North-Western Region, (ii) the Registrar of Companies, Gujarat, (iii) the Income Tax Authorities concerned (iv) Reserve Bank of India, (v) BSE Limited, (vi) National Stock Exchange Limited as well as (vii) Securities and Exchange Board of India and (viii) to the Official Liquidator, stating that representations, if any, to be made by them shall be made within a period of thirty (30) days from the date of receipt of such notice, failing which it shall be presumed that they have no objection to make on the proposed scheme. The said notices shall be sent forthwith by registered post or by speed post or by courier or by had delivery or by an e-mail at the office of the authority as required by sub-rule(2) of Rule 8 of the Companies (CAA) Rules, 2016. The aforesaid authorities, who desire to make any representations under sub-section (5) of Section 230, shall send the same to the Tribunal within a period of

30 days from the date of receipt of such notice, failing which, it will be deemed that they have no representation to make on the proposed arrangement.

32. With the above directions, CA (CAA) No. 55 of 2020 is allowed and stands disposed of accordingly.


8/9/2020
(Virendra Kumar Gupta)
Member (Technical)


8/9/2020
(Madan B. Gosavi)
Member (Judicial)

AT

**VALUATION
OF
EQUITY SHARES
(FINANCIAL INSTRUMENT)
OF
BODAL CHEMICALS LIMITED
AND
TRION CHEMICALS PRIVATE LIMITED
TO DETERMINE EXCHANGE RATIO
IN THE MATTER OF
SCHEME OF ARRANGEMENT
IN THE NATURE OF AMALGAMATION**



Prepared By:

PINAKIN SHAH

REGISTERED VALUER

Reg No. IBBI/RV/05/2019/10728

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I. APPOINTING AUTHORITY AND OBJECTIVE

I Pinakin Shah, Registered Valuer, (Reg No. IBBI/RV/05/2019/10728) Ahmedabad, having office at A 201, Siddhi Vinayak Towers, Off: S. G. Highway, Makarba, Ahmedabad - 380051, have been engaged on 16/03/2020 by the Committee of Board of Directors of Bodal Chemicals Limited (Hereinafter referred as "Transferee Company" or as "Holding Company"), and Trion Chemicals Private Limited (Herein after referred as "Transferor Company" or "Subsidiary Company").

The objective of engagement is to carry out an independent assessment of the Swap/Exchange Ratio for the proposed amalgamation of Transferor Company with Transferee Company in accordance with the provisions of Section 232 read with 230 of the Companies Act, 2013 effective from 01/04/2019, subject to approval by appropriate authorities.

As informed to us, amalgamation of business activities would achieve following benefits:

- 1) Business and operational synergies in terms of complete integration of facilitates which would result in optimum utilization of capital and resources and reduction in overall operating and maintenance cost and benefits of economies of scale.
- 2) Consolidation of operations and infrastructure of all the companies under the common management and thereby it is expected to give rise to savings in the administrative and other overheads, managerial and other expenditure, operational rationalization, and optimal utilization of resources by elimination of infrastructure and related costs.

**A/201 Siddhi Vinayak Towers, Next to Kataria House, Off. S.G. Highway,
Makaraba, Ahmedabad-380051.**



- 3) Reduction in multiplicity of regulatory compliances which are required at present to be separately carried out by the Transferor and the Transferee Companies.
- 4) Simplify shareholding structure and reduce shareholding tiers;

II. KEY ELEMENTS OF VALUATION EXERCISE

During the preparation of this report we have not conducted a site review of the business premises, nor have we audited or otherwise reviewed, or compiled the Financial Statements, which have been provided by the management of Transferee and Transferor Companies. It was assumed that these financial statements are true and accurate.

III. VALUATION DATE

The Analysis of the Fair Value of the equity of the Company has been carried out as on 01/04/2019.

IV. VALUATION BASE

We have selected combination of following as valuation base which are appropriate for the intended purpose of the valuation.

- a) highest and best use;

The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible. This base provides maximum value through its use in combination with other assets as a group (as installed or otherwise configured for use) or in combination with other assets and liabilities.



b) going concern value;

Going concern value is the value of a business that is expected to continue to operate in the future. The intangible elements of Going Concern Value result from factors such as having a trained work force, an operational plant, the necessary licenses, marketing systems, and procedures in place etc.

c) as is where is value;

As-is-where-is basis is the existing use of the asset which may or may not be its highest and best use.

d) Synergies

Synergies is a concept which indicates that the combining effect of merged entities in terms of their value and benefits that is likely to be, greater than that of their individual values on a standalone basis. Synergy results from incremental benefits that accrue to the Transferee Company on account of post-acquisition factors, such as realisation of increased discretionary cash flow (as a result of the combinations of two or more business operations over and above the aggregate discretionary cash flow of the two-business viewed separately), or reduced risk in attaining same when two businesses combines.

V. PROFILE OF CLIENTS AS ON REPORTING DATE TRANSFEREE COMPANY

1) Name:

Bodal Chemicals Limited (CIN: L24110GJ1986PLC009003)

2) Registered office:

Plot No.: 123-124, Phase-I, G.I.D.C. Estate, Vatva, Ahmedabad-382 445.

3) Board of Directors & KMP:

DIN/PAN	Name	Designation
00007400	Mr. Suresh J. Patel	Managing Director
00030464	Mr. Bhavin S. Patel	Executive Director



02173231	Mr. Ankit S. Patel	Executive Director
01736527	Mr. Sunil K. Mehta	Independent Director
03060741	Mr. Nalin Kumar	Independent Director
00092245	Mrs. Neha Huddar	Independent Director
02227457	Mr. Ram Prasad Srivasatava	Independent Director
BDRPB8951Q	Mr. Ashutosh Bhatt	Company Secretary
ADGPP9472L	Mr. Mayur Bachubhai Padhya	CFO

4) Main Business:

The Company is inter alia engaged in the manufacturing as well as trading in all kinds of dyestuffs, dyes intermediates and basic and other chemicals etc; Company is also engaged in export and import of all such products.

5) Share Capital structure:

Particulars	Amount in Rs.
Authorised	
1,60,00,000 equity shares of Rs. 2/- each	32,00,00,000
2,00,00,000 preference shares of Rs. 10/- each	20,00,00,000
Total	52,00,00,000
Issued, Subscribed & Paid-up	
12,23,30,165 equity shares of Rs. 2/- each fully paid-up	24,46,60,330
Total	24,46,60,330

6) Shareholding Pattern:

Category of shareholder	% of holding	Total no. shares held
Promoter & Promoter Group	58.30	7,13,15,662
Public	41.70	5,10,14,503
Total	100.00	12,23,30,165

TRANSFEROR COMPANY

1) Name:

Trion Chemicals Private Limited (CIN: U51900GJ2009PTC056781)

2) Registered office:

Plot No.: 123-124, Phase-I, G.I.D.C. Estate, Vatva, Ahmedabad-382 445.



3) Board of Directors:

DIN/PAN	Name	Designation
01554113	Mr. Bansibhai Maganbhai Patel	Director
01554932	Mr. Rakeshbhai Ravjibhai Patel	Director
08203189	Mr. Shrey Bansibhai Patel	Whole time Director
BCHPM8399A	Mr. Akash Dilipbhai Mevada	Company Secretary
ADGPP9472L	Mr. Mayur Bachubhai Padhya	CFO

4) Main Business:

The Company is presently engaged in the Manufacturing and trading of specialty chemicals i.e. Trichloroisocyanuric Acid (TCCA) that is mainly used for water purification and other related purposes.

5) Share Capital structure:

Particulars	Amount in Rs.
Authorised	
1,00,00,000 equity shares of ₹ 10/- each	10,00,00,000
75,00,000 Preference Shares of Rs. 10/- each	7,50,00,000
Total	17,50,00,000
Issued Subscribed & Paid-up	
99,86,095 equity shares of ₹ 10/- each	9,98,60,950
46,00,000 preference shares of Rs.10/- each	4,60,00,000
Total	14,58,60,950

6) Shareholding: Equity

Sr. No.	Name of Shareholder	No of Shares held	% Shares held
1	Bodal Chemicals Limited	99,86,095	100%
	Total	99,86,095	100%

VI. PURPOSE OF VALUATION

The valuation exercise is being carried out to ascertain the swap ratio for the proposed amalgamation of Transferor Company with Transferee Company in terms of provisions of Section 230 and 232 of the Companies Act, 2013.



VII. SOURCE OF INFORMATION RELIED UPON

We relied upon the following information made available to us by the management of Transferee Company and Transferor Companies for the purpose of this valuation:

- a) Memorandum and Articles of Association
- b) Audited Accounts for the Financial Year ended on March 31, 2018, and March 31, 2019.
- c) Shareholding Pattern as on reporting date.
- d) Draft scheme of arrangement for the proposed amalgamation of Transferor Company with Transferee Company.
- e) Discussions with representative of the Management which were considered relevant for the purpose of the Analysis.
- f) Such other information and explanations as may be required by us and provided by the management.

VIII. VALUATION STANDARDS

The Report has been prepared in compliance with the Valuation Standards issued by the Institute of Chartered Accountants of India and adopted by ICAI Registered Valuers Organisation.

IX. BACKGROUND INFORMATION OF ASSETS BEING VALUED

The minority interests in Transferor Company was transferred to the Transferee Company as on 09/03/2020 and 11/03/2020. Hence there is no valuation requirement for valuation of shares of companies under amalgamation.

X. VALUATION METHODOLOGY AND APPROACH

In case of merger of Holding Company with its 100% Subsidiary Company, Valuation of the enterprise or its equity shares based on following three commonly used valuation techniques would be futile exercise.

a) Market approach

- I. Comparable Company Market Multiple Method
- II. Comparable Transactions Multiple Method

b) Income Approach

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. Valuation method to be applied under income approach is Discounted Cash Flow (DCF) Method. The DCF method is one of the most common methods for valuing shares, businesses, etc. This method involves discounting of future cash flows expected to be generated by an asset over its life using an appropriate discount rate to arrive at the present value.

c) Cost approach

The value arrived at under this approach is based on the audited financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The balance sheet values are adjusted for any contingent liabilities that are likely to materialize and valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.

XI. VALUATION

- a) The minority interests in Transferor Company was transferred to the Transferee Company as on 09/03/2020 and 11/03/2020.
- b) The status of Transferee Company changed from holding company to 100 % holding company w. e. f. 11/03/2020.



- c) On approval of merger or amalgamation, the investment of the Transferee Company in Equity Share Capital of the Transferor Company will be cancelled and no equity shares to be allotted to the shareholders of the Transferor Company.

XII. SHARE EXCHANGE RATIO

The Transferee Company being the only shareholder, cannot issue shares to itself and hence there is no consideration required to be paid to itself and in turn Share Exchange ratio is not relevant.

XIII. DISCLOSURE OF INTEREST

We acknowledge that we have no present or contemplated financial interest in the Transferor and Transferee Companies. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

XIV. LIMITATIONS AND DISCLAIMER

Our valuation is subject to the following Limitations / Exclusions:

- i. The report is to be read in totality and not in parts and in conjunction with the relevant documents referred to therein.
- ii. We have considered circumstances existing at the valuation date and events occurring up to the valuation date.
- iii. Valuation analysis and results are specific to the purpose of valuation and valuation date mentioned in the report is as agreed as per term of our engagement. It may not be valid if done on the behalf of any other entity.



- iv. This report is issued on the understanding that the Companies have drawn our attention to all material information, which they are aware of concerning their financial positions and any other matter, which may have impact on my opinion, on the fair value, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to last audited balance sheet. We have no responsibility to update this report for events and circumstances occurring after the valuation date of this report.
- v. In the course of the valuation, we are provided with both written and verbal information. We have however, evaluated the information provided to us through broad inquiry, analysis and review (but have not carded out a due diligence or audit of the company for the purpose of this engagement). Our conclusion is based on the information given by/on behalf of the Companies. However, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements.
- vi. The information contained herein is intended only for the sole use of the shareholders of the Transferor and Transferee Companies, and regulatory approvals for the proposed amalgamation.
- vii. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, except in connection with proposed arrangement as aforesaid, can be done only with our prior permission in writing.

Date: 27/05/2020

Place: Ahmedabad



Pinakin Shah

Registered Valuer

Reg No. IBBI/RV/05/2019/10728

By Online Submission

Sec/20-21/08
Date: 27/05/2020

To,
The General Manager,
BSE Ltd.
1st Floor, New Trading Ring,
Rotunda Building, P.J. Tower,
Dalal Street, Fort
Mumbai- 400 001
BSE Code: 524370

To,
The General Manager,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.
NSE CODE: BODALCHEM

Dear Sir / Madam,

SUB: Intimation Under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("Listing Regulation")

we hereby inform you that Board of Directors in their meeting held on 27th May, 2020 has approved Scheme of Amalgamation between Trion Chemicals Pvt Ltd, wholly owned subsidiary of the Company ("Transferor Company") with Bodal Chemicals Ltd ("Transferee Company"). Subject to necessary Statutory and Regulatory approvals, including approval of National Company Law Tribunal.

The Provision of Regulation 37 of the Listing Regulations are not applicable to schemes which solely provide for Merger of a Wholly Owned subsidiary with its Holding Company. Hence "No Objection Letter" or "Observation Letter" on the Scheme is not required to be obtained from the Stock Exchanges on which equity shares of the Company are listed.

However, in accordance with the provisions of Regulation 37(6) of the Listing Regulations read with the provisions of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March 2017 and CFD/DIL3/CIR/2018/2 dated 3rd January 2018, Such draft scheme shall be filed with Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites.


Accordingly, we enclose the following documents for the purpose of disclosure and disseminate to the website:

- Certified true copy of Board of Director's resolution approving the draft scheme of amalgamation of WOS i.e. Trion Chemicals Pvt Ltd. with its holding company i.e. Bodal Chemicals Ltd.
- Certified true copy of scheme of amalgamation of WOS i.e. Trion Chemicals Pvt Ltd. with its holding company i.e. Bodal Chemicals Ltd.

This is for your information and record please.

Thanking You,
Yours faithfully,

For, **BODAL CHEMICALS LTD.**


Bhavin S Patel
Executive Director
Encl: a/a

**HEAD OFFICE:**

Plot No. 123-124, Phase-I,
G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

Tel: +91 79 2583 5437
2583 4223, 25831684
Fax: +91 2583 5245, 25836052
E-mail: bodal@bodal.com

PLANT OFFICE:

UNIT - 7
Plot No. 804, Village : Dudhwada,
Ta. : Padra - 391450.

Tel: +91 99099 50852 - 853 - 854
02662 - 277801 / 802 / 803
Fax: +91 0266 2273804
E-mail: dyes7@bodal.com



REPORT UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF TRION CHEMICALS PRIVATE LIMITED AT ITS MEETING HELD THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS HELD ON TUESDAY, 26TH MAY, 2020 AT 12.30 PM EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION ON KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

The Board of Directors ('Board') of Trion Chemicals Private Limited ('TCPL' or 'Transferor Company' or 'the Company') at its meeting held on 26TH May, 2020, had approved the Scheme of Amalgamation ('the Scheme') for amalgamation of Bodal Chemicals Limited ('BCL' or 'Transferee Company') with Trion Chemicals Private Limited, under section 230-232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'). The Scheme is subject to requisite approvals of the jurisdictional National Company Law Tribunal and other regulatory authorities.

While deliberating on the Scheme, the Board of Directors of the Company had, inter alia, considered the following:

1. Drafts Scheme duly initialed by Company Secretary of the Company for the purpose of identification.
2. Draft Share Exchange Valuation Report to be issued by Mr. Pinakin Shah, Registered Valuer having IBBI Registration No. IBBI/RV/05/2019/10728.

After considering the documents referred above, the Board of Directors of the Company approved the scheme.

As per section 230-232 of the Companies Act, 2013, a report adopted by Board of Directors of the Company explaining the effect of the scheme of amalgamation on key managerial personnel, promoters and non-promoter shareholders is required to be circulated to the members or class of members or creditors or class of creditors, as the case may be, for the meeting of the members or class of members or creditors or class of creditors, as the case may be, along with the notice convening such meeting.

Accordingly as per section 232 (2) (C) of the Companies Act, 2013, the Board of Directors of the Company in its meeting held on 26th May, 2020 took on record the following:

1. RATIONALE OF THE SCHEME:

The Transferee Company is the sole shareholder in the Transferor Company holding 100% shares along with a nominee. It has been realised by the Board of Directors of both the companies that the amalgamation of both these companies shall be helpful to achieve the following objectives:-

TRION CHEMICALS PVT. LTD.

Registered Office:

Plot No. 123-124, Phase-I,
GIDC, Vatva, Ahmedabad-382 445.
Gujarat, India.
Phone: +91 79 25835437, 25834223

Factory Address:

Revenue Survey Number : 338
Village Neja, Taluka : Khambhat,
Dist: Anand-388620, Gujarat, India.
Phone: +91 70690 46756



E-mail: info@trioncpl.com
Website: www.trioncpl.com
CIN: U51900GJ2009PTC056781



- (a) The commercial activities of both the companies are of similar nature and amalgamation will result in business and operational synergies in terms of complete integration of facilitates which would result in optimum utilization of capital and resources and reduction in overall operating and maintenance cost and benefits of economies of scale.
- (b) Simplify management structure, leading to better administration and are reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (c) The amalgamation will result in reduction in the multiplicity of legal and regulatory compliances and reduced costs.
- (d) Simplify shareholding structure and reduce shareholding tiers;

In view of the aforesaid, the Board of Directors of both the companies have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act and other relevant provisions of the Act, and other Applicable Laws.

2. Effect of the Scheme on Equity Shareholders (promoter shareholders and non-promoter shareholders) of TCPL.

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the entire undertaking of the Transferor Company shall stand transferred to and vested in or be deemed to have been vested in the Transferee Company.

As there will be no issue of shares by the Transferee Company to any shareholders of the Company pursuant to Scheme and the company would cease to exist after amalgamation, the change in the pre and post shareholding pattern and capital structure of the Company is not applicable pursuant to the Scheme coming into effect.

3. Effect of the Scheme on Directors and Key Managerial Personnel of TCPL.

Upon the coming into effect of the Scheme, All the directors and KMPs of the Company ceased to hold office on the Board of Directors of the Company as the Company would cease to exist after amalgamation.

None of the relatives of directors and KMPs of the Company are concerned or interested, financially or otherwise in the proposed Scheme.

4. Share Exchange Ratio:

TRION CHEMICALS PVT. LTD.

Registered Office:

Plot No. 123-124, Phase-I,
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Gujarat, India.
Phone: +91 79 25835437, 25834223

Factory Address:

Revenue Survey Number : 338
Village Neja, Taluka : Khambhat,
Dist: Anand-388620. Gujarat, India.
Phone: +91 70690 46756



E-mail: info@trioncpl.com
Website: www.trioncpl.com
CIN: U51900GJ2009PTC056781



Mr. Pinakin Shah, Independent Registered valuer, having IBBI Registration No. IBBI/RV/05/2019/10728 has issued a draft report on the valuation of shares and has confirmed that the Transferor Company being a Wholly Owned Subsidiary of the Transferee Company; no shares are required to be issued towards consideration.

The said Draft Valuation Report has been duly considered by the Board of Directors of the Transferor Company.

Based on the above, in the opinion of the Board, Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

For and on behalf of the Board of directors of
Trion Chemicals Private Limited

SHREY BANSIBHAI PATEL
Whole Time Director
DIN: 08203189



Place: Ahmedabad
Date: 26th May, 2020

TRION CHEMICALS PVT. LTD.

Registered Office:

Plot No. 123-124, Phase-I,
GIDC, Vatva, Ahmedabad-382 445.
Gujarat, India.
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Revenue Survey Number : 338
Village Neja, Taluka : Khambhat,
Dist: Anand-388620. Gujarat, India.
Phone: +91 70690 46756

E-mail: info@trioncpl.com
Website: www.trioncpl.com
CIN: U51900GJ2009PTC056781

REPORT UNDER SECTION 232(2)(C) OF THE COMPANIES ACT, 2013 ADOPTED BY THE BOARD OF DIRECTORS OF BODAL CHEMICALS LIMITED AT ITS MEETING HELD THROUGH VIDEO CONFERENCING / OTHER AUDIO VISUAL MEANS HELD ON WEDNESDAY, 27th MAY, 2020 AT 12.35 PM EXPLAINING THE EFFECT OF THE SCHEME OF AMALGAMATION ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

The Board of Directors ('Board') of BODAL CHEMICALS Limited ('BCL' or 'Transferee Company' or 'the Company') at its meeting held on 27th May, 2020, had approved the Scheme of Amalgamation ('the Scheme') for amalgamation of Bodal Chemicals Limited with Trion Chemicals Private Limited ('TCPL' or 'Transferor Company'), under section 230-232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'). The Scheme is subject to requisite approvals of the jurisdictional National Company Law Tribunal and other regulatory authorities. Further, company has intimated the Scheme to Securities and Exchange Board of India and stock exchanges, as no prior approval is required.

While deliberating on the Scheme, the Board of Directors of the Company had, inter alia, considered the following:

1. Drafts Scheme duly initialed by Company Secretary of the Company for the purpose of identification.
2. The Share Exchange Valuation Report dated 27th May, 2020, issued by Mr. Pinakin Shah, Registered Valuer having IBBI Registration No. IBBI/RV/05/2019/10728.

After considering the documents referred above, the Board of Directors of the Company approved the scheme.

As per section 230-232 of the Companies Act, 2013, a report adopted by Board of Directors of the Company explaining the effect of the scheme of amalgamation on shareholders, key managerial personnel, promoters and non-promoter shareholders is required to be circulated to the members or class of members or creditors or class of creditors, as the case may be, for the meeting of the members or class of members or creditors or class of creditors, as the case may be, along with the notice convening such meeting.

Accordingly as per section 232 (2) (C) of the Companies Act, 2013, the Board of Directors of the Company in its meeting held on 27th May, 2020 took on record the following:

1. RATIONALE OF THE SCHEME:

The Transferee Company is the sole shareholder in the Transferor Company holding 100% shares along with a nominee. It has been realized by the Board of Directors of both the companies that the amalgamation of both these companies shall be helpful to achieve the following objectives:-



HEAD OFFICE:

Plot No. 123-124, Phase-I,
G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

www.bodal.com
CIN No. : L24110GJ1986PLC009003

Tel: +91 79 2583 5437
2583 4223, 25831684
Fax: +91 2583 5245, 25836052
E-mail: bodal@bodal.com



- (a) The commercial activities of both the companies are of similar nature and amalgamation will result in business and operational synergies in terms of complete integration of facilitates which would result in optimum utilization of capital and resources and reduction in overall operating and maintenance cost and benefits of economies of scale.
- (b) Simplify management structure, leading to better administration and are reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses;
- (c) The amalgamation will result in reduction in the multiplicity of legal and regulatory compliances and reduced costs.
- (d) Simplify shareholding structure and reduce shareholding tiers;

In view of the aforesaid, the Board of Directors of both the companies have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act and other relevant provisions of the Act, and other Applicable Laws.

2. Effect of the Scheme on Equity Shareholders (promoter shareholders and non-promoter shareholders) of BCL.

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the entire undertaking of the Transferor Company shall stand transferred to and vested in or be deemed to have been vested in the Company.

As there will be no issue of shares by the Company to any shareholders of the Transferor Company pursuant to Scheme, there would be no change in the pre and post shareholding pattern and capital structure of the Company solely pursuant to the Scheme coming into effect.

Further, BCL is the promoter of the Company and holding the entire share capital of the Company, along with its nominee. As far as the equity shareholders are concerned, there will be no dilution of their shareholding in the Company.

3. Effect of the Scheme on Directors and Key Managerial Personnel of Bodal Chemicals Ltd.

The Scheme is not expected to have any effect on the Directors and KMPs of the Company. Further, no change in the Board of the Company is envisaged on account of the Scheme.

None of the relatives of directors and KMPs of the Company are concerned or interested, financially or otherwise in the proposed Scheme.



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Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

4. Share Exchange Ratio:

Mr. Pinakin Shah, Independent Registered valuer, having IBBI Registration No. IBBI/RV/05/2019/10728 has issued a report on the valuation of shares and has confirmed that the Transferor Company being a Wholly Owned Subsidiary of the Transferee Company; no shares are required to be issued towards consideration.

The said Valuation Report has been duly considered by the Board of Directors of the Transferee Company and the Transferor Company.

Based on the above, in the opinion of the Board, Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

For and on behalf of the Board of directors of
Bodal Chemicals Limited



Suresh J. Patel
Chairman and MD
DIN: 00007400

Place: Ahmedabad
Date: 27th May, 2020

HEAD OFFICE:

Plot No. 123-124, Phase-1,
G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

www.bodal.com
CIN No. : L24110GJ1986PLC009003

Tel: +91 79 2583 5437
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TRION CHEMICALS PVT. LTD.
BALANCE SHEET AS AT 31st MARCH, 2020

PARTICULARS	Notes	Amount (In Rs.)	
		As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non - Current Assets :			
Property, Plant and Equipment	2	437,430,031	458,454,396
Capital work-in-progress		4,364,261	Nil
Financial Assets			
Loans	3	235,209	39,868
Other financial assets	4	2,998,171	3,266,589
Non-current tax Assets	5	148,109	128,731
Deferred Tax Assets	6	98,992,511	55,955,150
Others Non-current assets	7	1,973,882	390,095
		546,142,174	518,234,829
Current Assets :			
Inventories	8	51,702,821	117,731,821
Financial Assets			
Trade Receivables	9	1,558,492	114,804,445
Cash and Cash Equivalents	10	2,107,701	113,229
Other Bank balances	11	23,546,544	3,121,341
Loans	12	210,000	1,865,380
Other financial assets	13	533,467	179,629
Other Current Assets	14	44,094,925	57,520,112
		123,753,950	295,335,957
TOTAL ASSETS		669,896,124	813,570,786
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	15	99,860,950	99,860,950
Other Equity	16	(281,815,701)	(162,077,947)
		(181,954,751)	(62,216,997)
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	836,610,223	727,286,655
		836,610,223	727,286,655
Current Liabilities			
Financial Liabilities			
Borrowings	18	Nil	49,199,682
Trade Payables	19		
Due to Micro and Small Enterprises		370,058	454,161
Due to Others		6,299,699	53,329,990
Other Financial Liabilities	20	1,810,974	29,228,115
Other current liabilities	21	6,759,921	16,289,180
		15,240,652	148,501,128
TOTAL EQUITY AND LIABILITIES		669,896,124	813,570,786
Significant Accounting Policies			
1			
Notes are an integral part of the financial statements			
As Per Our Report of even date attached			
For Mayank Shah & Associates			
Chartered Accountants			
Firm Registration No. 106109W			

mesha
(M.S. Shah)
Partner
Membership No. 44093



Ahmedabad
July 3, 2020

For and on behalf of the Board

Bansil Patel
(Bansil M Patel)
Director
DIN : 01554113

ctb
(Mayur Padhya)
C.F.O
Ahmedabad
July 3, 2020

Shrey Patel
(Shrey Patel)
Director
DIN : 08203189

Aakash Mevada
(Aakash Mevada)
Company Secretary

TRION CHEMICALS PVT. LTD.
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

PARTICULARS	Notes	Amount (In Rs.)	
		Year 2019-20	Year 2018-19
INCOME			
Revenue from operations	22	110,494,439	161,734,311
Goods Burnt Due to Fire		1,335,450	Nil
Other income	23	12,520,050	6,297,449
Total Income		124,349,939	168,031,760
EXPENSES			
Cost of materials consumed	24	36,795,894	131,013,837
Changes in Inventories of Finished Goods and Stock in Process	25	57,299,684	(48,833,048)
Employee Benefits Expenses	26	20,824,127	18,378,075
Finance Costs	27	90,413,736	67,279,936
Depreciation		20,745,442	20,788,524
Other Expenses	28	61,389,483	86,780,643
Total Expenses		287,468,366	275,407,967
Loss Before Taxes		(163,118,427)	(107,376,207)
Tax Expenses			
Current Tax		Nil	Nil
Deferred Tax		(43,126,622)	(27,736,951)
Taxes of earlier years		Nil	Nil
		(43,126,622)	(27,736,951)
Loss for the Year		(119,991,805)	(79,639,256)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		343,312	(22,904)
Income tax relating to items that will not be reclassified to profit and loss account		(89,261)	5,955
Total Comprehensive Income for the year		(119,737,754)	(79,656,205)
Basic and diluted		(12.02)	(8.57)
Significant Accounting Policies			
Notes are an integral part of the financial statements			
As Per Our Report of even date attached			

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

msshah
(M.S. Shah)
Partner
Membership No. 44093



Ahmedabad
July 3, 2020

For and on behalf of the Board

Bansi M Patel

(Bansi M Patel)
Director
DIN : 01554113

Mayur Padhya
(Mayur Padhya)
C.F.O

Ahmedabad
July 3, 2020

Shrey Patel
(Shrey Patel)
Director
DIN : 08203189

Aakash
(Aakash Mevada)
Company Secretary

TRION CHEMICALS PVT. LTD.
Statement of Changes in Equity for the year ended 31st March, 2020
Amount (In Rs.)

A) Equity Share Capital	As at 31st March, 2020	As at 31st March, 2019
Balance at the commencement of the year	99,860,950	70,000,000
Changes in Equity Share capital during the year 2,986,095 Equity Shares allotted	NIL	29,860,950
Balance at the end of the year	99,860,950	99,860,950

B) Other Equity		Amount (In Rs.)
Reserves & Surplus		
	Retained Earnings	
Balance as at 1st April, 2018	(82,421,742)	
Additions during the year:		
Profit/(loss) for the year	(79,639,256)	
Items of OCI for the year, net of tax-		
Remeasurement benefit of defined benefit plans	(16,949)	
Balance as at 31st March, 2019 (A)	(162,077,947)	
Additions during the year:		
Profit/(loss) for the year	(119,991,805)	
Items of OCI for the year, net of tax-		
Remeasurement benefit of defined benefit plans	254,051	
Total Comprehensive Income for the Year 2019-20 (B)	(119,737,754)	
Balance as at 31st March, 2020 (A+B)	(281,815,701)	

Significant Accounting Policies as per Note 1
Notes are an integral part of the financial statements

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

M.S. Shah
(M.S. Shah)
Partner
Membership No. 44093



For and on behalf of the Board

Bansi M Patel
(Bansi M Patel)
Director
DIN : 01554113

Shrey Patel
(Shrey Patel)
Director
DIN : 08203185

Mayur Padhya
(Mayur Padhya)
C.F.O

Aakash Mevada
(Aakash Mevada)
Company Secretary

Ahmedabad
July 3, 2020

Ahmedabad
July 3, 2020

TRION CHEMICALS PVT., LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020

PARTICULARS	Year 2019-20	Year 2018-19
Amount (In Rs.)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and after exceptional items	(163,118,427)	(107,376,207)
Adjustment for:		
Depreciation and Amortisation	20,745,442	20,788,524
Allowance/(Reversal) for doubtful Debts	16,286,225	(29,354)
Unrealised Foreign Exchange Loss / (Gain)	(89,062)	148,660
Finance Cost	90,413,736	67,279,936
(Profit)/Loss on Sale/Disposal of PPE (Net)	48,351	1,183,811
Interest/Dividend/Rent received	(624,995)	(5,681,525)
Operating Profit before Working Capital Changes	(36,338,730)	(23,686,155)
Adjustment for:		
(Increase) / Decrease in Trade Receivables	97,048,790	(46,179,912)
(Increase) / Decrease in Inventories	66,029,000	(46,086,099)
(Increase) / Decrease in Other Receivables	14,452,349	(10,697,001)
Increase / (Decrease) in Trade Payables & Other Payable	(60,863,705)	7,690,446
Cash generated from Operations	80,327,704	(118,958,721)
Direct Taxes Paid (Net of Refund)	19,378	45,308
Net Cash from Operating Activities (A)	80,308,326	(119,004,029)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE including Capital Work in Progress and capital advances	(5,500,600)	(11,871,923)
Sale proceeds of PPE	230,572	760,000
(Increase) / Decrease in Loans to Employees	79,039	202,086
Bank Balances not considered as Cash and Cash Equivalents		
Placed	(21,000,000)	(1,136,425)
Matured	1,035,725	1,056,823
Interest/Dividend/Rent received	432,485	490,358
Net Cash used in Investing Activities (B)	(24,722,779)	(10,499,081)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings Non-current	Nil	Nil
Repayment of Borrowings Non-current	(126,892,298)	(23,641,221)
Increase/(Decrease) in Borrowings Current	(49,199,682)	(24,429,659)
Equity Share Capital & Share Premium	Nil	29,860,950
Loan from related parties Non-current	334,087,294	308,713,694
Loan repaid to related parties Non-current	(132,182,078)	(100,633,051)
Finance Cost	(79,404,311)	(60,898,826)
Net Cash used in Financing Activities (C)	(53,591,075)	128,971,887
NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS	1,994,472	(531,223)
Cash & Cash Equivalents at the beginning of the year	113,229	644,457
Cash & Cash Equivalents at the end of the year	2,107,701	113,229

Note : The amendments to IND-AS 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

	Non-Current (in RS)	Current (in RS)
Borrowings as on 31/03/2019 including Current Maturity of Long-term Borrowings	750,927,876	49,199,682
Cash Flows	75,012,918	(49,199,682)
Fair Value Changes	11,009,425	Nil
Foreign Exchange Movement	Nil	Nil
Borrowings as on 31/03/2020 including Current Maturity of Long-term Borrowings	836,950,219	Nil

As Per Our Report of even date attached
Significant Accounting Policies as per Note 1

For Mayank Shah & Associates
Chartered Accountants
Firm Registration No. 106109W

meeshah
(M. S. Shah)
Partner
Membership No. 44093



For and on behalf of the Board

Bansilal
(Bansil M Patel) Director
DIN : 01554113
Shreyas
(Shreyas) Director
DIN : 08203189

Mayur
(Mayur Padhya) C.F.O.
Aakash
(Aakash Mevada) Company Secretary

Ahmedabad
July 3, 2020

Ahmedabad
July 3, 2020

Balance Sheet as at 31st March 2020

Particulars	Notes	(₹ in Million)	
		As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non - Current Assets :			
Property, Plant and Equipment	2	5,616.06	5,282.86
Capital Work-in-progress		3.76	199.84
Right of Use Asset	3	0.26	-
Intangible Assets	4	8.31	6.32
Financial Assets			
Investments	5	569.05	197.53
Loans	6	1,884.07	989.88
Other Financial Assets	7	27.54	46.47
Income Tax Assets (Net)	8	104.60	105.83
Other Non-Current Assets	9	153.34	168.40
Total Non - Current Assets		8,366.99	6,997.13
Current Assets			
Inventories	10	1,855.05	1,851.47
Financial Assets			
Investments	11	-	5.74
Trade Receivables	12	2,941.66	2,204.41
Customers Bill Discounted	12	771.05	698.94
Cash and Cash Equivalents	13	122.64	66.46
Other Bank Balances	14	26.87	16.98
Loans	15	45.17	75.76
Other Financial Assets	16	0.25	32.15
Other Current Assets	17	427.52	405.17
Total Current Assets		6,190.21	5,357.08
Total Assets		14,557.20	12,354.21
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	244.66	244.38
Other Equity	19	8,925.91	8,107.82
Money Received Against Share Warrants		431.25	-
Total Equity		9,601.82	8,352.20
Liabilities			
Non-Current Liabilities			
Provisions	20	-	4.10
Deferred Tax Liabilities (Net)	21	373.27	440.46
Total Non-Current Liabilities		373.27	444.56
Current Liabilities			
Financial Liabilities			
Borrowings	22	1,612.26	654.96
Customers Bill Discounted	22	771.05	698.94
Lease Liabilities		0.25	-
Trade Payables	23		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		32.48	26.40
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1,916.29	1,899.97
Other Financial Liabilities	24	45.04	132.58
Other Current Liabilities	25	110.89	134.47
Provisions	26	-	10.13
Income Tax Liabilities (Net)	27	93.85	-
Total Current Liabilities		4,582.11	3,557.45
Total Liabilities		4,955.38	4,002.01
Total Equity and Liabilities		14,557.20	12,354.21

See Accompanying Notes forming part of the Financial Statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

Varsha A. Fadte

Partner

Membership No. 103999

Chicalim, Goa

July 6, 2020

For and on behalf of the Board of Directors

Suresh J. Patel

Chairman & Managing Director

DIN : 00007400

Mayur B. Padhya

Chief Financial Officer

Ahmedabad

July 6, 2020

Bhavin S. Patel

Executive Director

DIN : 00030464

Ashutosh B. Bhatt

Company Secretary



Statement of Profit and Loss for the year ended 31st March 2020

(₹ in Million)

PARTICULARS	Notes	Year ended 31st March 2020	Year ended 31st March 2019
INCOME			
Revenue from Operations	28	12,124.38	13,793.62
Other Income	29	193.69	146.75
Total Income		12,318.07	13,940.37
EXPENSES			
Cost of Raw Materials Consumed	30	7,569.82	9,398.34
Purchases of Stock-in Trade	31	2.64	1.65
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	32	71.94	(643.17)
Employee Benefits Expense	33	777.48	592.27
Finance Costs	34	115.86	69.30
Depreciation and Amortisation expense	35	240.67	182.67
Other Expenses	36	2,316.03	2,114.57
Total Expenses		11,094.44	11,715.63
Profit Before Tax		1,223.63	2,224.74
Tax Expenses			
Current Tax	40	274.35	618.37
Deferred Tax		(72.39)	165.72
Total Tax Expense		201.96	784.09
Profit for the Year		1,021.67	1,440.65
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		20.32	(6.71)
Income Tax relating to items that will not be reclassified to profit or loss		(5.21)	2.34
Other Comprehensive Income for the Year (net of tax)		15.11	(4.37)
Total Comprehensive Income for the Year		1,036.78	1,436.28
Earnings per equity share (Face value of ₹ 2)			
Basic (in ₹)	43	8.35	11.78
Diluted (in ₹)		8.35	11.77

See Accompanying Notes forming part of the Financial Statements

As per our report of even date attached
 For **Deloitte Haskins & Sells LLP**
 Chartered Accountants
 Firm Registration No. 117366W/W-100018
Varsha A. Fadte
 Partner
 Membership No. 103999

Chicalim, Goa
 July 6, 2020

For and on behalf of the Board of Directors

Suresh J. Patel
 Chairman & Managing Director
 DIN : 00007400

Mayur B. Padhya
 Chief Financial Officer
 Ahmedabad
 July 6, 2020

Bhavin S. Patel
 Executive Director
 DIN : 00030464

Ashutosh B. Bhatt
 Company Secretary

Statement of Changes in Equity for the year ended 31st March 2020

(₹ in Million)

A) Equity Share Capital	As at 31st March 2020	As at 31st March 2019
Balance at the commencement of the year	244.38	244.38
Add : Issue of Shares under ESOP	0.28	-
Balance at the end of the year	244.66	244.38

(₹ in Million)

B) Other Equity	Reserves & Surplus						
	Capital Reserves	Capital Redemption Reserve	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings	Total
Balance as at 1st April 2018 (A)	76.12	289.67	2,381.91	3.86	138.86	3,884.76	6,775.18
Additions during the year:							
Profit for the year	-	-	-	-	-	1,440.65	1,440.65
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	(4.37)	(4.37)
Total Comprehensive Income for the Year 2018-19 (B)	-	-	-	-	-	1,436.28	1,436.28
Addition due to Employee Share based Expense (refer note 50)	-	-	-	14.20	-	-	14.20
Reductions during the year:							
Dividends	-	-	-	-	-	(97.75)	(97.75)
Tax on Dividends	-	-	-	-	-	(20.09)	(20.09)
Total (C)	-	-	-	-	-	(117.84)	(117.84)
Balance as at 31st March 2019 (D) = (A+B+C)	76.12	289.67	2,381.91	18.06	138.86	5,203.20	8,107.82
Additions during the year:							
Profit for the year	-	-	-	-	-	1,021.67	1,021.67
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	15.11	15.11
Total Comprehensive Income for the Year 2019-20 (E)	-	-	-	-	-	1,036.78	1,036.78
Change due to Employee Share based Expense (refer note 50)	-	-	24.25	(6.99)	-	-	17.26
Reductions during the year:							
Dividends	-	-	-	-	-	(195.72)	(195.72)
Tax on Dividends	-	-	-	-	-	(40.23)	(40.23)
Total (F)	-	-	-	-	-	(235.95)	(235.95)
Balance as at 31st March 2020 (D+E+F)	76.12	289.67	2,406.16	11.07	138.86	6,004.03	8,925.91

(₹ in Million)

C) Money Received against Share Warrants	As at 31st March 2020	As at 31st March 2019
Balance at the commencement of the year	-	-
Addition during the year (refer note 55)	431.25	-
Balance at the end of the year	431.25	-

See Accompanying Notes forming part of the Financial Statements

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

Varsha A. Fadte

Partner

Membership No. 103999

Chicalim, Goa

July 6, 2020

For and on behalf of the Board of Directors

Suresh J. Patel

Chairman & Managing Director

DIN : 00007400

Mayur B. Padhya

Chief Financial Officer

Ahmedabad

July 6, 2020

Bhavin S. Patel

Executive Director

DIN : 00030464

Ashutosh B. Bhatt

Company Secretary



Statement of Cash Flows for the year ended 31st March 2020

(₹ in Million)

PARTICULARS	Year 2019-20	Year 2018-19
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	1,223.63	2,224.74
Adjustments for		
Depreciation and Amortisation Expense	240.67	182.67
Unrealised Foreign Exchange Gain	32.56	(27.92)
Fair Value Loss on Investments measured through Profit or Loss	24.80	0.36
Mark-to-market loss on derivative financial instruments	9.19	-
Allowance for Doubtful Trade Receivables	(1.68)	(2.76)
Finance Costs	115.86	69.30
Expenses recognised in respect of Share based Payments	10.47	14.20
Loss / (Profit) on Sale of Property, Plant & Equipment (Net)	3.38	(0.25)
Interest and Dividend Income	(164.09)	(114.68)
Profit on Sale of Current Investments (Net)	(0.98)	(2.50)
Liabilities no Longer required Written Back	-	(11.65)
Operating Profit before Working Capital Changes	1,493.81	2,331.51
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(765.38)	438.26
Increase in Inventories	(3.58)	(730.42)
Decrease in Financial Assets	30.10	4.31
Decrease in Other Assets	1.52	113.72
Increase in Trade Payables	10.82	460.15
Increase in Other Financial Liabilities	0.49	0.51
Increase / (Decrease) in Other Liabilities and Provisions	(17.49)	118.96
Cash generated from Operations	750.29	2,737.00
Income Taxes Paid (Net of Refund)	(179.28)	(638.70)
Net Cash generated from Operating Activities (A)	571.01	2,098.30
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment including Capital Work in Progress and Capital Advances	(495.35)	(1,430.67)
Sale Proceeds of Property, Plant & Equipment	5.47	0.86
Loans given to Subsidiaries	(1,483.96)	(711.01)
Loans given to Associated Concern	-	(60.26)
Loans repaid by Subsidiaries	596.10	203.89
Loans repaid by Associated Concern	-	17.90
Loans given to Employees (Net)	(8.58)	(3.82)
Interest/Dividend received	161.92	113.98
Inter Corporate Loans received back	35.00	47.44
Bank Balances not considered as Cash and Cash Equivalent		
Placed	(6.47)	(4.37)
Matured	0.26	31.46

Statement of Cash Flows for the year ended 31st March 2020 (Contd.)

		(₹ in Million)	
PARTICULARS		Year 2019-20	Year 2018-19
	Advance for Investment	17.06	10.31
	Proceeds from Sale of Current Investments (net)	5.98	32.58
	(Investments in) / Proceeds from Preference Shares in subsidiary	(6.13)	35.13
	Investments in Equity Shares in Subsidiaries	(389.45)	(31.69)
	Net Cash used in Investing Activities (B)	(1,568.15)	(1,748.27)
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Increase/(Decrease) in Short Term Borrowings (Net)	966.13	(104.80)
	Proceeds from issue of Equity Shares under ESOP	7.07	-
	Money Received against Share Warrants	431.25	-
	Finance Costs Paid	(115.82)	(69.30)
	Lease Liabilities Paid	(0.32)	-
	Dividend Paid on Equity Shares	(194.76)	(97.75)
	Tax on Dividend Paid	(40.23)	(20.09)
	Net Cash from / (used in) Financing Activities (C)	1,053.32	(291.94)
	NET INCREASE IN CASH & EQUIVALENTS	56.18	58.09
	Cash & Cash Equivalents at the beginning of the year	66.46	8.37
	Cash & Cash Equivalents at the end of the year (refer note 13)	122.64	66.46

Note i): The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flows'.

Note ii): Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below.

		(₹ in Million)	
		Non-Current	Current (Refer Note 22)
	Borrowings as on 31st March 2019	-	1,353.90
	Cash Flows - Increase in Borrowings	-	966.13
	Non Cash Changes - Foreign Exchange Movement	-	63.28
	Borrowings as on 31st March 2020	-	2,383.31

See Accompanying Notes for more part of the Financial Statements

As Per Our Report of even date attached

As per our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018
Varsha A. Fadte
Partner
Membership No. 103999

For and on behalf of the Board of Directors

Suresh J. Patel
Chairman & Managing Director
DIN : 00007400

Bhavin S. Patel
Executive Director
DIN : 00030464

Chicalim, Goa
July 6, 2020

Mayur B. Padhya
Chief Financial Officer
Ahmedabad
July 6, 2020

Ashutosh B. Bhatt
Company Secretary