

13th April, 2022

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
BSE Scrip code: 500331

The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex, Bandra
(E), Mumbai – 400 051
NSE Scrip Code: PIDILITIND

Dear Sirs,

Ref: Disclosure under Regulation 37(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations')

Sub: Scheme of Amalgamation of Cipy Polyurethanes Private Limited into Pidilite Industries Limited approved by the National Company Law Tribunal, Mumbai ('NCLT')

The Scheme of Amalgamation of Cipy Polyurethanes Private Limited into Pidilite Industries Limited was filed with the NCLT under Sections 230 to 232 of the Companies Act, 2013. Since the said Scheme involved amalgamation of a wholly-owned subsidiary with its holding company, in view of Regulation 37(6) of the LODR Regulations, there was no requirement of obtaining any 'No-Objection Letter' or 'Observation Letter' to the Scheme from the Stock Exchanges on which the securities of the Company are listed. Letter dated September 15, 2021 was filed with the Stock Exchanges for disclosure purposes in accordance with proviso to Regulation 37(6) of the LODR Regulations.

The said Scheme of Amalgamation has been approved by the NCLT vide its order dated March 23, 2022 received on April 12, 2022. The disclosures required, under Regulation 37(5) of the LODR Regulations read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, are as follows:

- a. **Copy of the High Court/NCLT approved Scheme** – Enclosed as **Annexure A** is the order dated March 23, 2022 passed by the NCLT along-with certified copy of the Scheme;



Pidilite Industries Limited
Corporate Office
Ramkrishna Mandir Road
Andheri - E, Mumbai 400059, India

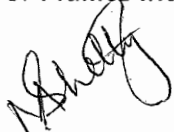
Regd. Office
Regent Chambers, 7th Floor
Jamnalal Bajaj Marg
208 Nariman Point
Mumbai 400 021

T + 91 22 2835 7000
2835 7952 / 2835 7365
F + 91 22 2830 4482
www.pidilite.com
CIN:L24100MH1969PLC014336

- b. **Result of voting by shareholders for approving the Scheme** – Since the Scheme involved merger of a wholly-owned subsidiary with its holding company, the shareholders meeting of Pidilite Industries Limited was dispensed with by the NCLT;
- c. **Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme of arrangement vis-à-vis the Draft Scheme of arrangement** – The Scheme of Amalgamation which was approved by the NCLT is same as the Draft Scheme of Amalgamation which was submitted with the stock exchange(s) for disclosure purposes vide letter dated September 15, 2021 i.e., there is no change in the approved and draft Scheme of Amalgamation;
- d. **Status of compliance with the Observation Letter or No Objection Letter of the Stock Exchange(s)** – As stated above, since the said Scheme involved amalgamation of a wholly-owned subsidiary with its holding company, in view of Regulation 37(6) of the LODR Regulations, there was no requirement of obtaining any 'No-Objection Letter' or 'Observation Letter' to the Scheme from the Stock Exchanges on which the securities of the Company are listed;
- e. **The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable** – Not applicable;
- f. **Report on Complaints as per Annexure III of Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017** - No complaints were received.

Necessary steps shall be taken to submit the aforesaid NCLT order along with approve scheme with respective authorities including MCA, within stipulated times as per applicable regulations and law.

Thanks & Regards,
For **Pidilite Industries Limited**



Manisha Shetty
Company Secretary
Encl : Annexure A

Pidilite Industries Limited
Corporate Office
Ramkrishna Mandir Road
Andheri - E, Mumbai 400059, India

Regd. Office
Regent Chambers, 7th Floor
Jamnalal Bajaj Marg
208 Nariman Point
Mumbai 400 021

T + 91 22 2835 7000
2835 7952 / 2835 7365
F + 91 22 2830 4482
www.pidilite.com
CIN:L24100MH1969PLC014336

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
COURT NO. V, MUMBAI BENCH**

C.P.(CAA)/46/MB-V/2022

Connected with

C.A.(CAA)/236/MB-V/2021

In the matter of

Companies Act, 2013

AND

In the matter of

Section 230-232 of the Companies Act,
2013 and other applicable provisions of
the Companies Act, 2013 read with the
Companies (Compromises, Arrangements
and Amalgamations) Rules, 2016;

In the matter of

Scheme of Amalgamation of CIPY
POLYURETHANES PRIVATE
LIMITED, the Amalgamating Company
with PIDILITE INDUSTRIES LIMITED,
the Amalgamated Company and their
respective shareholders and their
respective creditors



CIPY POLYURETHANES PRIVATE LIMITED

CIN: U24219PN1994PTC083328

... Petitioner Company No. 1

PIDILITE INDUSTRIES LIMITED

CIN: L24100MH1969PLC014336

... Petitioner Company No. 2

Order delivered on 23.03.2022

Coram:

Ms. Suchitra Kanuparthi : Hon'ble Member (Judicial)

Ms. Anuradha Sanjay Bhatia : Hon'ble Member (Technical)

Appearances (via videoconferencing):

For the Applicants : Mr Ahmed M Chunawala, i/b
Rajesh Shah & Co, Advocates

For the Regional Director (WR) : Ms. Rupa Sutar, Deputy Director

Per: Anuradha Sanjay Bhatia, Member (Technical)

ORDER

1. The Bench is conveyed by videoconference.
2. Heard the Learned Counsel for the Petitioner Companies. Neither any objector has come before this Tribunal to oppose the Scheme nor has any party controverted any averments made in the Petition filed for the



Scheme of Amalgamation of Cipy Polyurethanes Private Limited with Pidilite Industries Limited.

3. The sanction of the Tribunal is sought under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed there under for the Scheme of Amalgamation of CIPY POLYURETHANES PRIVATE LIMITED, the Amalgamating Company with PIDILITE INDUSTRIES LIMITED, the Amalgamated Company and their respective shareholders and their respective creditors.
4. The Petitioner Companies have approved the said Scheme of Amalgamation by passing the Board Resolutions dated 6th September 2021 which are annexed to the respective Company Scheme Petition.
5. The Learned Counsel appearing on behalf of the Petitioner Companies states that the Petition has been filed in consonance with the Order passed on 01.11.2021 in the Company Scheme Application No. 236 of 2021 of the Hon'ble Tribunal.
6. The Learned Counsel appearing on behalf of the Petitioner Companies further states that the Petitioner Companies have complied with all requirements as per directions of the National Company Law Tribunal, Mumbai Bench and they have filed necessary affidavit of compliance before the National Company Law Tribunal, Mumbai Bench.
7. The Learned Counsel for the Petitioner Companies states that the First Petitioner Company is presently engaged in the business of floor coatings and that the Second Petitioner Company is presently engaged



in the business of adhesives, sealants, waterproofing solutions, construction chemicals, arts and crafts, industrial resins, polymers, etc.

8. The Learned Counsel for the Petitioner Companies states that the Scheme of Amalgamation will lead to the following benefits:

- a. The merger will result in achieving greater integration and greater financial strength and flexibility and to maximize overall shareholders' value.
- b. The merger will result in achieving cost savings from more focused operational efforts, rationalization, standardization and simplification of business processes and productivity improvements.
- c. The merger will result in greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund growth opportunities, to maximize shareholders value.
- d. The merger will help in consolidating and improving the internal control systems and procedures which will bring greater management and operational efficiency due to integration of various similar functions being carried out by the entities such as human resources, finance, legal, management etc.
- e. The merger will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Amalgamating Company and the Amalgamated Company.



- f. The merger will also enable unified accounting and auditing resulting in reduction of costs and time and efforts involved.
- g. The merger will result in simplification of group structure.
9. The Regional Director has filed his Report dated 17st March 2022 *inter-alia* making the following observations in Paragraphs IV (a) to (h) which are reproduced hereunder:

Para	Observation by the Regional Director	Undertaking of the Petitioner Companies
IV(a)	In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.	So far as the observation in paragraph IV (a) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the Transferee Company undertakes that in addition to compliance of Ind AS-103, the Transferee Company shall pass such accounting entries as may be necessary in connection with the Scheme to comply with other applicable accounting standards such as Ind AS 8, etc.



IV(b)	<p>The Petitioners under provisions of Section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Compromise or arrangement. Further, the approval of the Scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the Scheme. The decision of such Authorities is binding on the Petitioner Company(s).</p>	<p>So far as the observation in paragraph IV (b) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the notices have been served to the concerned authorities as per the directions of the Hon'ble NCLT. Further, the Learned Counsel for the Petitioner Companies submits that issues (if any) arising out of the present Scheme of Amalgamation will be dealt with in accordance with the provisions of law.</p>
IV(c)	<p>Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees</p>	<p>So far as the observation in paragraph IV (c) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the setting off of fees paid by the Transferor Company on its Authorised Share Capital shall be</p>



	<p>payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.</p> <p>The Transferee Company shall pay the balance / difference amount of the fees and stamp duty on its increasing Authorised share capital.</p>	<p>accordance with provisions of section 232(3)(i) of the Companies Act, 2013. The Learned Counsel for the Petitioner Companies further submits that the amount of the fees and stamp duty on its increasing Authorised share capital (if any) shall be paid by the Transferee Company.</p>
IV(d)	<p>The Hon'ble NCLT may kindly direct to the Petitioners to file an undertaking to the extent that the Scheme enclosed to the Company Application and the scheme enclosed to the Company Petition are one & same and there is no discrepancy or deviation.</p>	<p>So far as the observation in paragraph IV (d) of the Report of the Regional Director is concerned, the Petitioner Companies undertake that the Scheme enclosed to Company Application & Company Petition, are one and same and there is no discrepancy or deviation.</p>
IV(e)	<p>As per the Definition of the</p>	<p>So far as the observation in</p>



<p>Scheme.</p> <p>“Appointed Date” means April 1, 2022 or such other date as may be approved by NCLT;</p> <p>“Effective Date” means the date on which the Scheme shall become effective pursuant to Clause 15 of Part V of this Scheme. Any reference in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” or “after this Scheme becomes effective” means and refers to the Effective Date;</p> <p>Further, the Petitioner may be asked to comply with the requirements and clarified vide circular no. F. No.7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p>	<p>paragraph IV (e) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the Appointed Date is 1st April, 2022. The Learned Counsel further submits that the Petitioner Companies will comply with circular no. F. No.7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p>
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IV (f)	<p>As per Clause 10 of the Scheme,</p> <p>Accounting Treatment on Amalgamation of Amalgamating Company with Amalgamated Company</p> <p>(a) Upon the effectiveness of this Scheme and with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation in its books as per applicable accounting principles prescribed under Appendix C to Indian Accounting Standard (Ind AS) 103 “Business Combinations” prescribed under Section 133 of the Companies Act, 2013 read with the</p>	<p>So far as the observation in paragraph IV (f) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the accounting for Amalgamation will be done in the books of the Amalgamated Company in the manner as stated in Clause 10 of the Scheme and in accordance with the applicable accounting standards, in particular, Ind AS 103.</p>
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	<p>Companies (Indian Accounting Standards) Rules, 2015 (“Ind AS 103 Business Combinations”) relevant clarifications issued by the Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles in India;</p> <p>(b) The Amalgamated Company shall upon the Scheme coming into effect and with effect from the Appointed Date, record all the assets, liabilities and reserves, if any, of the Amalgamating Company vested in it pursuant to this Scheme at the</p>	
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respective books values thereof and in the same form as appearing in the consolidated financial statements of the Amalgamated Company;

(c) The identity of the reserves of the Amalgamating Company shall be preserved and the Amalgamated Company shall record the reserves of the Amalgamating Company in the same form and at the same values as they appear in the consolidated financial statements of the Amalgamated Company;

(d) Pursuant to the Amalgamation, the inter-company transactions and balances between the Amalgamated Company



	<p>and the Amalgamating Company shall stand cancelled and there shall be no further obligation in that behalf;</p> <p>(e) No adjustments are being made to reflect fair values, or recognize any new assets or liabilities. The only adjustments that are made are to harmonize accounting policies;</p> <p>(f) The value of investments held by the Amalgamated Company in the Amalgamating Company shall stand cancelled pursuant to the Amalgamation;</p> <p>(g) The difference between the carrying amount of the investments cancelled pursuant to</p>	
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	<p>Clause 10(f) on one hand and the net of assets, liabilities and reserves of the Amalgamating Company acquired and recorded by the Amalgamated Company in terms of Clause of 10(b) shall be adjusted in Capital Reserve;</p> <p>(h) While recording the assets of the Amalgamating Company, the Amalgamated Company would record in its books, the amount of Goodwill as reflecting in its consolidated financial statements to the extent to which it pertains to the investment held in the Amalgamating Company, if any; and</p> <p>(i) In addition, the</p>	
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	<p>Amalgamated Company shall pass such accounting entries, as may be necessary, in connection with the Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India.</p> <p>Petitioner Companies have to undertake that the surplus / deficit shall be adjusted to Capital Reserve Account arising out of amalgamation.</p> <p>Further Petitioner Companies have to undertake that reserves shall not be available for distribution of dividend.</p>	
IV(g)	<p>STATUS OF ROC REPORT:-</p> <p>ROC, Mumbai Report dated</p>	<p>So far as the observation in paragraph IV (g) of the Report of the Regional Director is concerned, the Learned Counsel</p>



<p>28.12.2021 has interalia mentioned that there are no prosecution, no technical scrutiny, no inquiry, no inspection pending against Petitioner Companies.</p> <p>Further mentioned that :-</p> <ol style="list-style-type: none"> 1. There are two complaints pending against the Transferee Company. 2. Interest of the Creditors should be protected. <p>Hon'ble Tribunal may consider the observations pointed out by ROC Mumbai in their report.</p> <p>ROC, Pune Report dated 16.03.2022 has interalia</p>	<p>for the Petitioner Companies submits that:</p> <p><u>Reply in response to observations of ROC Mumbai:</u></p> <ol style="list-style-type: none"> 1. The two complaints mentioned are in relation to Transferee Company. It is hereby clarified that the complaints are not against the Transferor Company. The Complaints are in the nature of non-receipt of share certificates by one shareholder. The Transferee Company is in the process of resolving the complaints filed. However, the said complaints do not have any bearing on the Transferor Company and are not related to the present Scheme of Amalgamation; 2. The interest of the Creditors will be duly protected.
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<p>mentioned that there are no prosecution, no technical scrutiny, no inquiry, no inspection, no complaints pending against Petitioner Companies.</p> <p>ROC, Pune Report dated 16.03.2022 has interalia mentioned that there are no prosecution, no technical scrutiny, no inquiry, no inspection, no complaints pending against Petitioner Companies.</p> <p>Further mentioned that :-</p> <p>1. As per the MCA21 data, Charge of Rs. 39,00,00,000/- created on 28.12.2020 open against the company.</p> <p>Further, a charge of Rs. 39,00, 00, 000/- created on 05/05/2018 against the company by HDFC</p>	<p><u>Reply in response to observations of ROC Pune:</u></p> <p>The Transferor Company has a bank limit (overdraft facility) of Rs. 39 crores for which the charge has been created in favour of the banker. Though the Transferor Company is entitled to an overdraft facility of Rs. 39 crores, it has not used the overdraft facility from October 1, 2021, till date. As the bank overdraft facility has not been used by the Transferor Company there is no secured creditor in the Financials Statements of the Company and in the Chartered Accountant's certificate.</p>
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BANK LIMITED and same was satisfied on 04/02/2022.

Hence, the company has secured loans.

Whereas the Chartered Accountant vide its certificate dated 09.09.2021 stated that the company the company is not having any secured creditors.

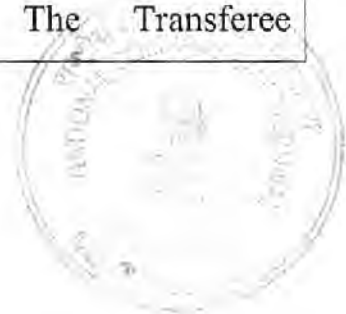
Hence, it is clear that the Transferor Company has not disclosed the abovesaid charges in the financial statement for the year ended 31.03.2021.

Also, the Auditor has not given the accurate of certificate.

Hon'ble Tribunal may



	consider the observations pointed out by ROC Pune in their report.	
(h)	The Petitioner Transferee company viz. Pidilite Industries Limited (Transferee Company) is a limited company. And notice has been served to the BSE / NSE vide letter dated 15.09.2021, Petitioner Transferee Company viz. Pidilite Industries Limited (Transferee Company) shall undertake to comply all the observations made by the BSE and NSE, if any or any other applicable regulatory Authority	So far as the observation in paragraph IV (h) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that since the Transferor Company is a wholly owned subsidiary of Transferee Company, there is no requirement of obtaining any 'No-Objection Letter' or 'Observation Letter' to the present Scheme from the Stock Exchanges on which the securities of the Transferee Company are listed. The Transferee Company was required to submit the Scheme with Stock Exchanges for disclosure purposes, which it has duly done vide its letter dated 15.09.2021. The Transferee



		Company undertakes to comply with all the observations, if any, made by the BSE and NSE or any other applicable regulatory Authority.
(i)	The Petitioner company has received letter from Income tax department dated 03.02.2022, in this regards, Petitioner Company shall undertake to comply all the requirements of the Income tax Authorities	So far as the observation in paragraph IV (i) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits to comply with all the requirements of the Income tax Authorities in accordance with the provisions of law.
(J)	There are the foreign shareholders in the Petitioner Transferee company viz. Pidilite Industries Limited, hence approval from RBI, FEMA and FERA shall be obtained, as may be required	So far as the observation in paragraph IV (j) of the Report of the Regional Director is concerned, the Learned Counsel for the Petitioner Companies submits that the Transferor Company is a wholly owned subsidiary of Transferee Company. Post amalgamation of Transferor Company, the Transferee Company will



		<p>continue to be in existence and no rights of any foreign shareholders of the Transferee Company will be impacted. Hence, the question of obtaining approval from RBI under the provisions of FEMA does not arise.</p>
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10. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 9 above. The Representative of the RD has submitted that the explanations and clarifications given by the petitioner companies are found satisfactory and that they have no objection to the Scheme.
11. The Official Liquidator has filed his report on 21st March, 2022 in the Company Scheme Petition No. 46 of 2022, inter alia, stating therein that the affairs of the Transferor Company have been conducted in a proper manner and the same are not prejudicial to the interest of its members or to the public interest and that the Transferor Company may be ordered to be dissolved by this Tribunal.
12. Amalgamating Company is the wholly-owned subsidiary of Amalgamated Company. Since Amalgamated Company cannot issue shares to itself, upon the scheme become effective, no shares of the Amalgamated Company shall be allotted to the shareholder of the Amalgamating Company (i.e., Amalgamated Company) in lieu or exchange of its holding in the Amalgamating Company and the entire



issued, subscribed and paid-up capital of the Amalgamating Company shall stand cancelled without any further act or deed.

13. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
14. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No. 46 of 2022 is made absolute in terms of clauses (a) to (c) of the said Company Scheme Petition.
15. The First Petitioner Company be dissolved without winding up.
16. Petitioners are directed to file a copy of this Order along with a copy of the Scheme of Amalgamation with the concerned Registrar of Companies, electronically along with E-Form INC-28, in addition to physical copy within 30 days from the date of receipt of the Order from the Registry.
17. The Petitioner Companies to lodge a copy of this Order and the Scheme duly authenticated by the Deputy Registrar or Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the Order.
18. All authorities concerned to act on a copy of this Order along with Scheme duly authenticated by the Deputy Director or Assistant Registrar, National Company Law Tribunal, Mumbai.



19. The Appointed Date is 1st April, 2022.

20. Ordered Accordingly.


Sd/-

Anuradha Sanjay Bhatia
Member (Technical)

Sd/-

Suchitra Kanuparthi
Member (Judicial)

Certified True Copy _____
Date of Application 24-03-2022
Number of Pages 22
Fee Paid Rs. 110
Applicant's 12-04-2022
Copy prepared 12-04-2022
Copy issued 12-04-2022


Deputy Registrar
National Company Law Tribunal, Mumbai Bench



**SCHEME OF AMALGAMATION
UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013**

BETWEEN

CIPY POLYURETHANES PRIVATE LIMITED : AMALGAMATING COMPANY

AND

PIDILITE INDUSTRIES LIMITED: AMALGAMATED COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS

AND

THEIR RESPECTIVE CREDITORS



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PREAMBLE

This Scheme of Amalgamation is presented under Sections 230 to 232, of the Companies Act, 2013 (the "Act") and other applicable provisions of the Act for amalgamation of Cipy Polyurethanes Private Limited into Pidilite Industries Limited.

The Scheme is in the best interest of the Amalgamating Company, Amalgamated Company, their shareholders, their creditors and all other stakeholders.

PARTS OF THE SCHEME:

The Scheme is divided into five parts:

- i. **Part I** sets-forth the Introduction, Definitions and Interpretation;
- ii. **Part II** sets-forth the share capital structure of the Amalgamated Company and Amalgamating Company;
- iii. **Part III** deals with the amalgamation of the Amalgamating Company into and with the Amalgamated Company;
- iv. **Part IV** deals with consideration, accounting and tax treatments of the Amalgamated Company; and
- v. **Part V** deals with general/residuary terms and conditions.



PART I
INTRODUCTION, DEFINITIONS AND INTERPRETATION

1 INTRODUCTION

1.1 PIDILITE INDUSTRIES LIMITED

PIDILITE INDUSTRIES LIMITED (hereinafter referred to as “Pidilite” or “Amalgamated Company”) having CIN L24100MH1969PLC014336, is a company incorporated under the Companies Act 1956 and has its Registered Office situated at Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai – 400 021. The details about the capital structure of Amalgamated Company are set out in Part II.

Pidilite is primarily engaged in the business of adhesives. It is also engaged in the business of sealants, waterproofing solutions, construction chemicals, arts and crafts, industrial resins, polymers, etc.

1.2 CIPY POLYURETHANES PRIVATE LIMITED

CIPY POLYURETHANES PRIVATE LIMITED (hereinafter referred to as “Cipy” or “Amalgamating Company”) having CIN - U24219PN1994PTC083328, is a company incorporated under the Companies Act, 1956 and has its Registered Office situated at T-127, MIDC, Bhosari, Pune – 411 026. The details about the capital structure of Amalgamating Company are set out in Part II.

Amalgamating Company is a wholly-owned subsidiary of Amalgamated Company and is primarily, engaged in the business of floor coatings

2 RATIONALE OF THE SCHEME

2.1 In three tranches i.e., in February, 2018, April 2021 and August 2021 Pidilite had bought 100% shares of the Amalgamating Company from its shareholders and consequently, the Amalgamating Company became the wholly-owned subsidiary of Amalgamated Company. In order to consolidate the business in one place and effectively manage the Amalgamating Company and Amalgamated Company as a single entity, which will provide several benefits including streamlined group structure by reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances, rationalizing costs, it is intended that the Amalgamating Company be amalgamated with the Amalgamated Company.

2.2 The amalgamation of the company would inter alia have the following benefits:

2.2.1 The merger will result in achieving greater integration and greater financial



strength and flexibility and to maximize overall shareholders' value.

- 2.2.2 The merger will result in achieving cost savings from more focused operational efforts, rationalization, standardization and simplification of business processes and productivity improvements.
- 2.2.3 The merger will result in greater efficiency in cash management of the amalgamated entity, and unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund growth opportunities, to maximize shareholders value.
- 2.2.4 The merger will help in consolidating and improving the internal control systems and procedures which will bring greater management and operational efficiency due to integration of various similar functions being carried out by the entities such as human resources, finance, legal, management etc.
- 2.2.5 The merger will result in a significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Amalgamating Company and the Amalgamated Company.
- 2.2.6 The merger will also enable unified accounting and auditing resulting in reduction of costs and time and efforts involved.
- 2.2.7 The merger will result in simplification of group structure.

2.3 The proposed corporate restructuring mechanism by way of a scheme of merger by absorption under the provisions of the Companies Act, 2013 is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors and other stakeholders of both the companies involved.

3 DEFINITIONS

In this Scheme, the following words and expressions shall, unless the context requires otherwise, have the following meanings ascribed to them:

- 3.1 "Act" or "the Act" means the Companies Act, 2013 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;
- 3.2 "Amalgamated Company" or "Pidilite" shall mean Pidilite Industries Limited, as defined in Clause I.1 of Part I;
- 3.3 "Amalgamating Company" or "Cipy" means Cipy Polyurethanes Private Limited, as



defined in Clause 1.2 of Part I above;

- 3.4 **“Applicable Law(s)”** means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Governmental Authority resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;
- 3.5 **“Appointed Date”** means April 1, 2022 or such other date as may be approved by NCLT;
- 3.6 **“Board of Directors”/ “Board”** in relation to the Amalgamating Company and/or the Amalgamated Company, as the case may be, shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee as may be constituted by the board of directors;
- 3.7 **“Clause” and “sub-Clause”** means the relevant clauses and sub-clauses set out in this Scheme;
- 3.8 **“Companies”** means Amalgamating Company and Amalgamated Company collectively;
- 3.9 **“Effective Date”** means the date on which the Scheme shall become effective pursuant to Clause 15 of Part V of this Scheme. Any references in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” or “after this Scheme becomes effective” means and refers to the Effective Date;
- 3.10 **“Governmental Authority”** means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;
- 3.11 **“Listing Regulations”** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes any amendments, modifications or any enactment thereof;
- 3.12 **“NCLT”** means the National Company Law Tribunal, Mumbai Bench, to which this Scheme in its present form is submitted for its sanctioning under sections 230 to 232 of the Act;
- 3.13 **“RoC”** means the Registrar of Companies having respective jurisdiction over the Companies;



3.14 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Amalgamation in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities, as may be required under the Act, as applicable, and under all other applicable laws.

4 INTERPRETATION

In this Scheme, unless the context otherwise requires:

- 4.1 words denoting singular shall include plural and vice versa and references to any gender includes the other gender;
- 4.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 4.3 References to the word "include" or "including" shall be construed without limitation;
- 4.4 References to Clauses are to the Clauses to this Scheme;
- 4.5 References to the words "hereof", "herein" and "hereunder" and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme;
- 4.6 Reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;
- 4.7 Reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 4.8 Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- 4.9 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality); and
- 4.10 Where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any forgoing words.



5 DATE OF TAKING EFFECT AND OPERATIVE DATE

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



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PART II
SHARE CAPITAL STRUCTURE

6 CAPITAL STRUCTURE

6.1 The share capital of Amalgamated Company as on March 31, 2021 was as under:

Particulars	Amount (INR)
<u>Authorised Capital:</u>	
70,00,00,000 Equity Shares of Re. 1/- each	70,00,00,000
Total	70,00,00,000
<u>Issued, Subscribed and Paid-up Capital:</u>	
50,81,53,380 Equity Shares of Rs. 1/- each fully paid up	50,81,53,380
Total	50,81,53,380

Subsequent to the above date and till the date of filing of this Scheme as approved by the Board of Directors of Amalgamated Company, there is no change in authorized, issued, subscribed and paid-up equity capital of Amalgamated Company.

6.2 The share capital of Amalgamating Company as on March 31, 2021 was as under:

Particulars	Amount (INR)
<u>Authorised Capital:</u>	
1,00,000 Equity Shares of Rs.100/- each	1,00,00,000
Total	1,00,00,000
<u>Issued, Subscribed and Paid-up Capital:</u>	
94,166 Equity Shares of Rs. 100/- each, fully paid up	94,16,600
Total	94,16,600

Subsequent to the above date and till the date of filing of this Scheme as approved by the Board of Directors of Amalgamating Company, there is no change in authorized, issued, subscribed and paid-up equity capital of Amalgamating Company.



PART-III
AMALGAMATION OF THE AMALGAMATING COMPANY INTO AND
WITH THE AMALGAMATED COMPANY

7 TRANSFER AND VESTING

- 7.1 With effect from the Appointed Date and upon the Scheme becoming effective, all the undertakings, businesses, assets and properties of the Amalgamating Company, shall, pursuant to the provisions of section 230 to 232 of the Act and all other applicable provisions, if any, of the Act, and without any further act, instrument, deed, matter or thing, stand transferred to and vested into or be deemed to be transferred to and vested, as a going concern, into the Amalgamated Company, so as to vest in the Amalgamated Company all the rights, title, estate and interest pertaining to or belonging to or in possession of or granted in favour of the Amalgamating Company.

- 7.2 Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, on occurrence of the Effective Date, the whole of the business, personnel, property, assets, liabilities, investments, rights, benefits and interest therein of the Amalgamating Company shall, with effect from the Appointed Date, stand transferred to and be vested in the Amalgamated Company, without any further act or deed, and by virtue of the order passed by the NCLT. Without prejudice to the generality of the above, and in particular, the Amalgamating Company shall stand transferred to and be vested in the Amalgamated Company in the manner described in sub-clauses (7.2.1) to (Error! Reference source not found.) below:
 - 7.2.1 all assets of the Amalgamating Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, shall stand vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.

 - 7.2.2 all movable properties of the Amalgamating Company, other than those specified in sub-clause (7.2.1) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, shall without any further act, instrument or deed, become the property of the Amalgamated Company;

 - 7.2.3 all immovable properties (including rights relating to immovable properties) of the Amalgamating Company, if any, whether freehold or leasehold, and all documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company,



without any further act or deed done by the Amalgamating Company and/or the Amalgamated Company;

- 7.2.4 all investments including the investments made by Amalgamating Company in the capital of other companies whether as shares, scrips, stocks, bonds, debentures, debenture stocks, inter-corporate deposits, units, mutual funds or pass through certificates and including depository receipts and certificates and other accrued benefits thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company, without any further act or deed done by the Amalgamating Company and/or the Amalgamated Company;
- 7.2.5 all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets, including trademarks, logos, service marks, copyrights, domain names, trade names and applications relating thereto, goodwill, knowhow and trade secrets, pertaining to the Amalgamating Company, whether or not registered and whether or not recorded in books of accounts of the Amalgamating Company, without any cost, further act, instrument or deed, shall be and shall stand transferred to and vested in the Amalgamated Company as a part of the transfer as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Amalgamated Company,
- 7.2.6 all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Amalgamating Company, shall, be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company and the Amalgamated Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- 7.2.7 all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, registrations, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company or to the benefit of which, the Amalgamating Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto;
- 7.2.8 any pending suit/appeal or other proceedings of whatsoever nature relating to the Amalgamating Company, whether by or against the Amalgamating Company, shall not abate or be discontinued or in any way prejudicially



affected by reason of the amalgamation of the Amalgamating Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted and/or enforced by or against the Amalgamating Company. The Amalgamated Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to Amalgamating Company;

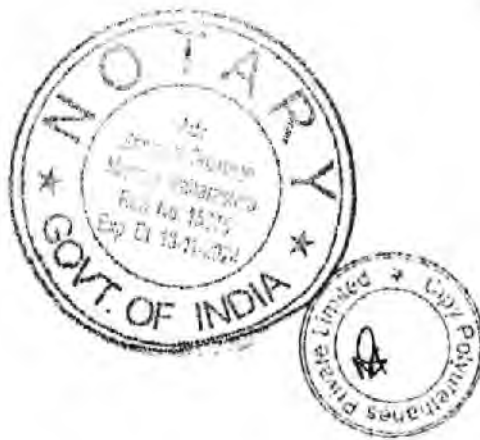
7.2.9 all employees of the Amalgamating Company, who are on its pay roll shall be engaged by the Amalgamated Company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company (if any), upon this Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, in accordance with the provisions of applicable laws and in terms of this Scheme. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company for such purpose, shall be treated as having been continuous;

7.2.10 all statutory licenses, permissions or approvals or consents held by the Amalgamating Company required to carry on its operations shall stand transferred to and be vested in the Amalgamated Company without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory authorities concerned therewith in favor of the Amalgamated Company. The benefit of all statutory and regulatory permissions, approvals and consents of the Amalgamating Company shall vest in and become available to the Amalgamated Company pursuant to the Scheme;

7.3 Procedural Formalities Post Sanction of the Scheme

7.3.1 The Amalgamated Company shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or novation or other writings or arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company have been a party, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company.

7.3.2 Upon the Scheme becoming effective, for statistical purposes only and without



any separate deed, instrument or writing, the Amalgamating Company and/or the Amalgamated Company shall, if required, simultaneously with the amendment in the register of charge file particulars of the modified charge with the concerned RoC. Any documentation subsequently entered into with the term lenders or the working capital lenders of the Amalgamating Company and the Amalgamated Company, shall be for the sake of convenience and record only and to reflect the changes in the security pursuant to the Scheme and there shall be no break in the continuity of such charge and the same shall relate back to the date of its creation thereof in the Amalgamating Company.

7.3.3 Upon the Scheme becoming effective, all statutory permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses (together the "Licenses", for the purpose of this Clause 7.3.3) relating to the Amalgamating Company, shall stand transferred to and vested in the Amalgamated Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer/ vesting of the Licenses, if any application is required for the statistical record of the statutory authorities to implement the transfer and vesting of the Licenses, as provided hereinabove, the Amalgamated Company shall facilitate the statutory authorities by filing such applications, which shall be granted/ approved in favour of the Amalgamated Company based on the sanction order of the Scheme by the NCLT.

7.3.4 From the Effective Date, all bank accounts of the Amalgamating Company shall be permitted to be continued with the same balances as of the Effective Date in the name of the Amalgamated Company and for record the Amalgamated Company shall be permitted to file names and particulars of the new authorized signatories for withdrawals and/ or deposits/ credits in such bank accounts and the relevant bank accounts shall be reconstituted accordingly.

7.4 Conduct of Business

7.4.1 With effect from the Appointed Date and until occurrence of the Effective Date:

7.4.1.1 the Amalgamating Company undertake to carry on and shall be deemed to have carried on all their business activities and stand possessed of their properties and assets, for and on account of and in trust for the Amalgamated Company; and

7.4.1.2 all profits accruing to the Amalgamating Company and all taxes thereon or losses accumulated or otherwise arising or incurred by it shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of the Amalgamated Company; and

7.4.2 Notwithstanding anything contained in this Scheme, subject to the



Applicable Laws, the Board of Directors of the Amalgamated Company shall be entitled to consider, pursue, manage, undertake and conduct business of Amalgamated Company inter-alia including, any corporate actions, issue of securities and bonus shares, buy back of securities, reorganization, restructuring of its businesses, strategic acquisition or sale of any business, joint ventures, business combinations etc., as it may deem prudent and necessary in the interest of the Amalgamated Company.

- 7.4.3 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Amalgamating Company as on the Appointed Date, whether or not provided in their books, and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Amalgamated Company.
- 7.4.4 With effect from the Appointed Date, the Amalgamated Company shall be deemed to have commenced and shall carry on and shall be authorized to carry on the business of the Amalgamating Company.
- 7.4.5 For the purpose of giving effect to the amalgamation order passed under sections 230 to 232 and other applicable provisions of the Act in respect of the Scheme by NCLT, the Amalgamated Company shall, at any time pursuant to the order on the Scheme, be entitled to get the recordal of the change in the legal right(s).



PART-IV
CONSIDERATION, ACCOUNTING TREATMENT AND TAX TREATMENT
OF AMALGAMATED COMPANY

8 CONSIDERATION / CANCELLATION OF SHARES OF THE AMALGAMATING COMPANY

8.1 As stated in Clause 2.1, Amalgamating Company is the wholly-owned subsidiary of Amalgamated Company. Since Amalgamated Company cannot issue shares to itself, upon the scheme become effective, no shares of the Amalgamated Company shall be allotted to the shareholder of the Amalgamating Company (i.e., Amalgamated Company) in lieu or exchange of its holding in the Amalgamating Company and the entire issued, subscribed and paid-up capital of the Amalgamating Company shall stand cancelled without any further act or deed.

9 CHANGE IN AUTHORISED SHARE CAPITAL

9.1 Upon this Scheme becoming effective and upon the vesting and transfer of the Amalgamating Company in the Amalgamated Company pursuant to the terms of this Scheme, the entire authorized share capital of the Amalgamating Company shall stand transferred from the authorized share capital of the Amalgamating Company to the authorized share capital of the Amalgamated Company.

9.2 By virtue of Clause 9.1 above, the authorized share capital of the Amalgamated Company shall stand increased by an amount of Rs. 1,00,00,000 (Rupees One Crore).

9.3 The stamp duty or filing fees paid on the authorized share capital of the Amalgamating Company are permitted to be utilized and applied towards the increase in the authorized share capital of the Amalgamated Company in accordance with Clause 9.1, and no further demand of additional stamp duty or fee shall be raised or made upon the Amalgamated Company by any regulatory authorities in relation to such increase in the authorized share capital of the Amalgamated Company, including by the Registrar of Companies Mumbai.

9.4 It is hereby clarified that for the purposes of increasing the authorized share capital of the Amalgamated Company in accordance with Clause 9.1, the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under section 13, section 61 or any other applicable provisions of the Act, would be required to be separately passed.

10 ACCOUNTING TREATMENT ON AMALGAMATION OF AMALGAMATING COMPANY WITH AMALGAMATED COMPANY

(a) Upon the effectiveness of this Scheme and with effect from the Appointed Date, the Amalgamated Company shall account for the amalgamation in its books as per applicable accounting principles prescribed under Appendix C to Indian Accounting



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Standard (Ind AS) 103 "Business Combinations" prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS 103 Business Combinations") relevant clarifications issued by the Ind AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles in India;

- (b) The Amalgamated Company shall upon the Scheme coming into effect and with effect from the Appointed Date, record all the assets, liabilities and reserves, if any, of the Amalgamating Company vested in it pursuant to this Scheme at the respective books values thereof and in the same form as appearing in the consolidated financial statements of the Amalgamated Company;
- (c) The identity of the reserves of the Amalgamating Company shall be preserved and the Amalgamated Company shall record the reserves of the Amalgamating Company in the same form and at the same values as they appear in the consolidated financial statements of the Amalgamated Company;
- (d) Pursuant to the Amalgamation, the inter-company transactions and balances between the Amalgamated Company and the Amalgamating Company shall stand cancelled and there shall be no further obligation in that behalf;
- (e) No adjustments are being made to reflect fair values, or recognize any new assets or liabilities. The only adjustments that are made are to harmonize accounting policies;
- (f) The value of investments held by the Amalgamated Company in the Amalgamating Company shall stand cancelled pursuant to the Amalgamation;
- (g) The difference between the carrying amount of the investments cancelled pursuant to Clause 10(f) on one hand and the net of assets, liabilities and reserves of the Amalgamating Company acquired and recorded by the Amalgamated Company in terms of Clause of 10(b) shall be adjusted in Capital Reserve;
- (h) While recording the assets of the Amalgamating Company, the Amalgamated Company would record in its books, the amount of Goodwill as reflecting in its consolidated financial statements to the extent to which it pertains to the investment held in the Amalgamating Company, if any; and
- (i) In addition, the Amalgamated Company shall pass such accounting entries, as may be necessary, in connection with the Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India.

11 TAX

11.1 Any tax liabilities under the Income Tax Act, 1961 or other applicable laws/regulations dealing with taxes/ duties/ levies allocable or related to the business of Amalgamating Company whether or not provided for or covered by tax provision



in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Amalgamated Company.

- 11.2 Any surplus in the provision for taxation/ duties/ levies account and any entitlement to credit, refund or set off including but not limited to the advance tax, tax deducted at source and MAT credit (credit of tax paid under section 115JB of the Income Tax Act, 1962), GST credit, as on the date immediately preceding the Appointed Date will also be transferred to Amalgamated Company. Any refund under the Income Tax Act, 1961 or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of Amalgamating Company or due to Amalgamating Company, consequent to the assessment made in respect of Amalgamating Company, shall also belong to and be received by Amalgamated Company.
- 11.3 The tax payments (including without limitation income tax, GST or any other taxes as may be applicable from time to time) whether by way of tax deducted at source, advance tax or otherwise howsoever, by Amalgamating Company whether before or after the Appointed Date, shall be deemed to be paid by Amalgamated Company and shall, in all proceedings, be dealt with accordingly. Notwithstanding the above, any tax deducted at source by either the Amalgamating Company or the Amalgamated Company on account of intercompany transactions, if any, between Amalgamated Company and Amalgamating Company post the Appointed Date, shall be deemed to be advance tax paid by the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.
- 11.4 Any withholding tax certificate or any other tax related certificate issued in the name of the Amalgamating Company shall be deemed to be issued in the name of the Amalgamated Company.
- 11.5 Upon the Scheme becoming Effective, with effect from the Appointed Date, Amalgamating Company and Amalgamated Company are expressly permitted to prepare and/or revise, as the case may be, their financial statements and returns along with the prescribed forms, filings and annexure under the Income Tax Act, 1961, GST laws and other tax laws, if required, to give effects to provisions of the Scheme.
- 11.6 All tax assessments proceedings/appeals of whatsoever nature by or against the Amalgamating Company pending at and/or arising after the Appointed Date and relating to Amalgamating Company shall be continued and/or enforced until the Effective Date as desired by Amalgamated Company. As and from the Effective Date, the tax proceedings/ appeals shall be continued and enforced by or against Amalgamated Company in the same manner and to the same extent as would or might have been continued and enforced by or against Amalgamating Company. Further, subject to the provisions of the relevant statues the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company with Amalgamated Company or anything contained in the Scheme.



11.7 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by Amalgamating Company shall be made or deemed to have been made and duly complied with by the Amalgamated Company.

12 SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets, properties and liabilities under Clause 7 above and also the continuance of proceedings by or against the Amalgamating Company under the same Clause shall not affect any transaction or proceedings already concluded by the Amalgamating Company on and after the Appointed Date till the Effective Date, to the end and intent that the Amalgamated Company accepts and adopts all acts, deeds and things done and executed by the Amalgamating Company.

13 DISSOLUTION OF THE AMALGAMATING COMPANY

13.1 On the Scheme becoming effective, the Amalgamating Company shall stand dissolved automatically without winding up in accordance with the provisions of Section 230 and 232 of the Act.

13.2 On and from the Effective Date, name of the Amalgamating Company shall be removed from the records of the RoC and records relating to the Amalgamating Company shall be transferred and merged with the records of the Amalgamated Company.



INDUSTRIAL

INDUSTRIAL

[Handwritten Signature]



NOTARY PUBLIC
GOVT. OF INDIA
MUMBAI

INDUSTRIAL
MUMBAI

PART-V
GENERAL / RESIDUARY TERMS AND CONDITIONS

14 APPLICATION TO NCLT

The Amalgamated Company and the Amalgamating Company shall make an application to the NCLT and or applicable authority, under sections 230 to 232 of the Act, seeking order for dispensing with or for convening, holding and/or conducting of the meetings of the classes of their respective members and creditors (secured and unsecured) as per the requirements of the Act.

15 CONDITIONALITY OF THE SCHEME

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

- 15.1 The approval by the requisite majorities of the classes of persons, including shareholders, creditors of the Amalgamating Company and Amalgamated Company as may be directed by the NCLT under Section 230- 232 of the Act;
- 15.2 The sanctioning of this Scheme by the NCLT, whether with any modifications or amendments as NCLT may deem fit or otherwise;
- 15.3 The filing of the certified copies of the orders of the NCLT with the Registrar of Companies, Mumbai by the Amalgamating Company and Amalgamated Company;
- 15.4 Any other sanctions and orders as may be directed by the NCLT in respect of the Scheme.

Upon this Scheme becoming effective, in accordance with sub-section 6 of Section 232 of the Act, the Scheme shall be deemed to be effective from the Appointed Date.

16 LISTING AGREEMENT AND SEBI COMPLIANCES

- 16.1 Since the Amalgamated Company is a listed company, this Scheme is subject to compliances of all the requirements under the Listing Regulations and all statutory directives of the Securities Exchange Board of India ("SEBI") insofar as they relate to sanction and implementation of this Scheme.
- 16.2 Regulation 37(1) of the Listing Regulations provide that a listed entity desirous of undertaking a scheme of arrangement under Section 230-234 and Section 66 of the Act shall file the draft scheme of arrangement with the stock exchange(s) on which the listed entity is listed in order to obtain the No Objection Certificate. Only after the No Objection Certificate is obtained, the scheme of arrangement can be filed with NCLT. However, the requirement to obtain No Objection Certificate from the stock exchange(s) before filing the scheme of arrangement with the NCLT has



been relaxed in case of merger of a wholly-owned subsidiary with its holding company – Regulation 37(6) of the Listing Regulations. Proviso to Regulation 37(6) provides that the draft scheme shall be filed with the stock exchange(s) for disclosure purpose. Accordingly, this scheme of amalgamation shall be filed with the stock exchange(s) for disclosure purpose.

17 MODIFICATION OR AMENDMENTS TO THE SCHEME

- 17.1 The Amalgamating Company and the Amalgamated Company may assent to any modifications or amendments to this Scheme, which the NCLT and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. The Amalgamating Company and the Amalgamated Company (acting through its respective Boards of Directors) be and is hereby authorized to take such steps and do all acts, deeds and things 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 order of the NCLT or of any directive or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 17.2 In the event of any of the conditions that may be imposed by the NCLT or other authorities which the Amalgamating Company and/or Amalgamated Company may find unacceptable for any reason, then the Amalgamating Company and/or Amalgamated Company are at liberty to withdraw the Scheme.
- 17.3 The Board of Directors of Amalgamating Company and Amalgamated Company shall be entitled, in a mutually agreeable manner, to revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on Amalgamating Company and/or Amalgamated Company.
- 17.4 If any issue arises as whether any asset, liability, employee pertains to the Amalgamating Company and/or Amalgamated Company, or not under this Scheme, the same shall be decided by the Board of Directors of the Amalgamating Company and/or Amalgamated Company, as relevant, on the basis of relevant books of account and other evidence that they may deem relevant for said purposes. Their decision will be final and conclusive.
- 17.5 The provisions of this Scheme as they relate to the amalgamation of Amalgamating Company into and with Amalgamated Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined



necessary to comply with section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

18 EFFECT OF NON-RECEIPT OF APPROVALS

18.1 In the event that the Scheme is not sanctioned by the NCLT or in the event any of the consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme are not obtained or complied with or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void.

18.2 The non - receipt of any sanctions or approvals for a particular asset or liability forming part of the Amalgamating Company getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective section of the Scheme, if the Boards of Directors of the Amalgamating Company and/or Amalgamated Company so decide. In the event of non - receipt of approval of any lender / creditor for the transfer of any liability of the Amalgamating Company, then at the option of the Boards of Directors of the Amalgamating Company, it may discharge such liability by issuing a security / recognizing a liability in favour of Amalgamated Company on the same terms.

19 COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and other expenses, if any (save as expressly otherwise agreed) arising out of, in connection to or in relation to or incurred in carrying out and implementing this Scheme and to put it into operation shall be borne by the Amalgamated Company.

20 MISCELLANEOUS

If any part of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Amalgamating Company and Amalgamated Company that such Part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to Amalgamating Company and/or Amalgamated Company, in which case the Amalgamating Company and Amalgamated Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Amalgamating Company and Amalgamated Company the benefits and obligations of the Scheme, including but not limited to such Part.

Certified
Date: 24-03-2022
No. 20
Fee 100
App. 12-04-2022
Copy 12-04-2022
Copy 12-04-2022



A. S. Srinani
12-4-2022
Deputy Registrar
National Company Law Tribunal, Mumbai Bench



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