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**GUJARAT  
FLUORO CHEMICALS  
LIMITED**

ABS Towers, 2nd Floor, Old Padra Road, Vadodara - 390 007, Gujarat, India  
CIN : L24116 GJ1997 PLC093362 • Email : contact@gfl.co.in • Web: www.gfl.co.in



GFL: BRD: 2019

08<sup>th</sup> April, 2019

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001

The Secretary  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E), Mumbai 400 051

Scrip code: 500173

Scrip Code: GUJFLURO

**Sub: Notice of National Company Law Tribunal convened Meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Gujarat Fluorochemicals Limited ('the Company') for approval of Scheme of Demerger**

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

We would like to inform you that pursuant to an Order dated 28<sup>th</sup> March, 2019 of the National Company Law Tribunal, Ahmedabad Bench, Meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Company will be held at the Registered office of the Company situated at Survey Number 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380 on Saturday, the 11<sup>th</sup> May, 2019 at 11:00 am, 12:00 noon and 12:30 pm respectively, to consider and, if thought fit, approve, with or without modification(s), the Arrangement embodied in the Scheme of Arrangement between Gujarat Fluorochemicals Limited with Inox Fluorochemicals Limited and their respective Shareholders (the "Scheme").

In compliance with the provisions of (i) Section 230 read with Sections 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 (as amended) issued by the Securities and Exchange Board of India, the Company has provided the facility of e-voting to the Equity Shareholders so as to enable them to exercise their right to vote on resolutions proposed to be considered at the Meetings by electronic means. The Company has engaged Central Depository Services Limited (CDSL) for the purpose of providing e – voting facilities to all the Shareholders. The e – voting period shall begin on 8<sup>th</sup> May, 2019 at 09:00 am (IST) and ends on 10<sup>th</sup> May, 2019, at 5:00 pm (IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date 4<sup>th</sup> May, 2019 may cast their vote electronically.

Further, the facility for voting through polling paper shall be made available at the said Meetings and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through polling paper.

**Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153**  
**Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610**  
**Mumbai Office : 68, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, Tel. : +91 (22) 22026314, Fax : +91 (22) 22025588**

Tel.: +91 265 81 98111  
Fax: +91 265 23 10312



GUJARAT  
FLUORO CHEMICALS  
LIMITED



ABS Towers, 2nd Floor, Old Padra Road, Vadodara - 390 007, Gujarat, India  
CIN : L24110 GJ1987 PLC009362 • Email : [contact@gfl.co.in](mailto:contact@gfl.co.in) • Web: [www.gfl.co.in](http://www.gfl.co.in)

We are enclosing herewith copy of the notices of the Meetings to be convened on 11<sup>th</sup> May, 2019, which were dispatched to the Equity Shareholders, Secured and Unsecured Creditors of the Company. The same are also available on the website of the Company at [www.gfl.co.in](http://www.gfl.co.in)

We request you to kindly take the above information on record.

Thanking You

Yours faithfully,

For Gujarat Fluorochemicals Limited

**Bhavin Desai**  
Company Secretary



Encl as above

**GUJARAT FLUORO CHEMICALS LIMITED**

(CIN: L24110GJ1987PLC009362)

**Registered office:** Survey Number 16/3, 26 and 27, Village Ranjitnagar  
Taluka Ghoghamba, District Panchmahal, Gujarat -389380**Telephone:** 02678-248153, **Fax:** 02678-248153**Website:** www.gfl.co.in, **Email id:** bvdesai@gfl.co.in**MEETING OF THE EQUITY SHAREHOLDERS OF GUJARAT FLUORO CHEMICALS LIMITED  
CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL,  
AHMEDABAD BENCH**

<b>NCLT MEETING:</b>	
<b>Day</b>	Saturday
<b>Date</b>	11 <sup>th</sup> May, 2019
<b>Time</b>	11:00 am
<b>Venue</b>	Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380.

<b>NCLT RELATED REMOTE E-VOTING FOR ALL SHAREHOLDERS:</b>	
<b>Start Date and Time</b>	Wednesday, the 8 <sup>th</sup> day of May, 2019 at 09:00 am
<b>End Date and Time</b>	Friday, the 10 <sup>th</sup> day of May, 2019 at 05:00 pm

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**FORM NO. CAA2**  
**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH**  
**COMPANY SCHEME APPLICATION NO 46 OF 2019**

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

**And**

In the matter of Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders

<b>Gujarat Fluorochemicals Limited,</b>	)	
a Company incorporated under the provisions	)	
of the Companies Act, 1956, and having its Registered Office	)	
at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba,	)	
District Panchmahal, Gujarat-389380, India	)	<b>..... Applicant Company</b>

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY**

To,

All the Equity Shareholders of Gujarat Fluorochemicals Limited (the "**Applicant Company or Company**")

**NOTICE** is hereby given that by an Order dated 28<sup>th</sup> March, 2019 in the above mentioned Company Scheme Application (the "**Order**"), the National Company Law Tribunal, Ahmedabad Bench ("**NCLT**" or "**Tribunal**") has directed a Meeting to be held of the Equity Shareholders of the Applicant Company for the purpose of considering, and if thought fit, approving with or without modification, the Arrangement embodied in the Scheme of Arrangement between Gujarat Fluorochemicals Limited ("**The Demerged Company**" or "**GFL 1**") and Inox Fluorochemicals Limited ("**The Resulting Company**" or "**GFL 2**") and their respective Shareholders ("**Scheme**").

In pursuance of the said Order and as directed therein further Notice is hereby given that a Meeting of Equity Shareholders of the Applicant Company will be held at the Registered office of the Company situated at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380 on Saturday, the 11<sup>th</sup> day of May 2019 at 11:00 am. at which time and place you are requested to attend. At the Meeting, the following Resolution will be considered and, if thought fit, will be approved with or without modification(s), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with requisite majority as provided under the Act:

***"RESOLVED THAT** pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as may be applicable, read with related rules thereto as applicable under the Companies Act, 2013 as amended (including any statutory modification or re-enactment or amendment thereof), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 the observation letters issued by each of BSE Limited dated 15<sup>th</sup> February, 2019 and National Stock Exchange of India Limited dated 18<sup>th</sup> February, 2019 and subject to the relevant provisions of any other applicable laws and enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**NCLT**" or "**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 NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the Arrangement embodied in the Scheme of Arrangement between Gujarat Fluorochemicals Limited (“The Demerged Company’ or ‘GFL 1’) and Inox Fluorochemicals Limited (“The Resulting Company’ or ‘GFL 2’) and their respective Shareholders (“Scheme”) as placed before this Meeting and initialled by the Chairman of the Meeting for the purpose of identification, be and is hereby approved and adopted.*

**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 NCLT 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 questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the Books of Accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper without being required to seek any further approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”*

**TAKE FURTHER NOTICE** that you may attend and vote at the said Meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid Meeting. The form of proxy can be obtained free of charge from the Registered Office of the Applicant Company or can be downloaded from the website of the Company [https://www.gfl.co.in/Scheme\\_of\\_Arrangement\\_Demerger.php](https://www.gfl.co.in/Scheme_of_Arrangement_Demerger.php).

**TAKE FURTHER NOTICE** that in compliance with the provisions of (i) Section 230 read with Sections 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 (as amended) issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of e-voting so as to enable the Equity Shareholders, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Equity Shareholders of the Applicant Company to the Scheme shall be carried out through e-voting system or polling paper at the venue of the Meeting to be held on Saturday, 11<sup>th</sup> May, 2019.

**TAKE FURTHER NOTICE** that each Equity Shareholders can opt for only one mode of voting i.e. either at the venue of the Meeting of the Equity Shareholders of the Company or by remote e-voting. If you opt for remote e-voting then do not vote at the venue of the Meeting and vice-versa. In case of Shareholders exercising their right to vote via both modes, i.e. at the venue of the Meeting of the Equity Shareholders of the Company as well as remote e-voting, then remote e-voting shall prevail over voting by the said Shareholders at the venue of the Meeting of the Equity Shareholders and votes cast at the venue of the Meeting by that Shareholders shall be treated as invalid. It is clarified that the votes cast by means of remote e-voting does not disentitle an Equity Shareholder as on the cut-off date from attending the Meeting.

Copies of the Scheme, and of the 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, along with the enclosures as indicated in the index, can be obtained free of charge at the Registered Office of the

Applicant Company at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India or at the office of its authorised representative , Shri Bhavin Desai, Company Secretary at Gujarat Fluorochemicals Limited, ABS Towers, 2nd Floor, OP Road, Vadodara – 390007

The Tribunal has appointed Mr. Deepak Asher, Director and Group Head (Corporate Finance) and failing him, Mr. Dinesh Kumar Sachdeva, Whole-time Director and failing him, Mr. Anand Majmudar, Advocate 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 of the Tribunal.

The Company is also offering e-voting facility to the Equity Shareholders and the e-voting period commences from Wednesday, the 8<sup>th</sup> day of May, 2019 at 09.00 am and ends on Friday, the 10<sup>th</sup> day of May, 2019 at 05.00 pm.

A copy of the Explanatory Statement, under Sections 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, the Scheme and the other enclosures as indicated in the index are enclosed.

### **Chairperson appointed for the Meeting**

Dated this 14<sup>th</sup> day of November, 2018.

#### **Registered Office:**

Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba,  
District Panchmahal, Gujarat – 389380, India

#### **Notes:**

1. Only registered Equity Shareholders of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Applicant Company) or in the case of a body corporate or Registered Foreign Portfolio Investors (“RFPI”) or Foreign Institutional Investors (“FII”), by a representative authorised under Section 113 of the Companies Act, 2013 at the Meeting of the Equity Shareholders of the Applicant Company. The authorised representative of a body corporate/RFPI/ FII which is a registered equity shareholder of the Applicant Company may attend and vote at the Meeting of the Equity Shareholders of the Applicant Company provided a copy of the resolution of the Board of Directors or other governing body of the body corporate /RFPI /FII authorising such representative to attend and vote at the Meeting of the Equity Shareholders of the Applicant Company, duly certified to be a true copy by a Director, the Manager, the Secretary or other authorised officer of such body corporate /RFPI /FII, is deposited at the Registered Office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting of the Equity Shareholders of the Applicant Company.
2. As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) Equity Shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights. Equity Shareholders holding more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Equity Shareholder.
3. The form of proxy can be obtained free of charge from the Registered Office of the Applicant Company or can be downloaded from the website of the Company [https://www.gfl.co.in/Scheme\\_of\\_Arrangement\\_Demerger.php](https://www.gfl.co.in/Scheme_of_Arrangement_Demerger.php) and website of CDSL [www.evotingindia.com](http://www.evotingindia.com).
4. All alterations made in the form of proxy should be initialed.
5. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, an equity shareholder would be entitled to inspect

the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.

6. The Tribunal by its Order dated 28<sup>th</sup> March, 2019 has directed that a meeting of the Equity Shareholders of the Applicant Company shall be convened and held at Registered office of the Company situated at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380 on Saturday, the 11<sup>th</sup> day of May 2019 at 11:00 am for the purpose of considering, and if thought fit, approving, the resolution approving arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.
7. In compliance with the provisions of (i) Section 230 read with Sections 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 (as amended) issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of e-voting so as to enable the Equity Shareholders, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, the Equity Shareholders of the Applicant Company can opt only one mode for voting i.e. e-voting or voting through polling paper at the venue of the Meeting to be held on Saturday, 11<sup>th</sup> May, 2019.
8. The quorum of the Meeting of the Equity Shareholders of the Applicant Company shall be 30 (Thirty) Equity Shareholders of the Applicant Company, present in person or proxy.
9. A registered equity shareholder or his proxy, attending the Meeting, is requested to bring the Attendance Slip duly completed and signed.
10. The registered Equity Shareholders who hold shares in dematerialized form and who are attending the Meeting are requested to bring their DP ID and Client ID for easy identification of the attendance at the Meeting.
11. The registered Equity Shareholders are informed that in case of joint holders attending the Meeting, only such joint holder whose name stands first in the register of Members of the Applicant Company/ list of beneficial owners as received from National Securities Depository Limited (“NSDL”)/ Central Depository Services Limited (“CDSL”) in respect of such joint holding, will be entitled to vote.
12. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered Office of the Applicant Company between 10.00 am and 05.00 pm on all days (except Saturdays, Sundays and public holidays) up to the date of the Meeting.
13. Pursuant to Section 101 and 136 of the Companies Act, 2013 read with the applicable rules made thereunder (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) the Notice, together with the documents accompanying the same, is being sent to all the Equity Shareholders electronically by e-mail to those Equity Shareholders who have registered their e-mail ids with the Applicant Company/registrar and share transfer agents, NSDL/ CDSL, unless the Equity Shareholders have requested for a physical copy of the same. For Equity Shareholders who have not registered their e-mail ids, physical copies shall be sent by permitted mode. However, Equity Shareholders who wish to receive a physical copy of the notice are requested to send an email to [bvdesai@gfl.co.in](mailto:bvdesai@gfl.co.in) duly quoting his/her DP ID and Client ID or the Folio number, as the case may be. The notice is being sent to those Equity Shareholders whose names appear in the Register of Members/list of beneficial owners as received from NSDL/ CDSL as on 28<sup>th</sup> day of March, 2019. The Notice will be displayed on the website of the Applicant Company [https://www.gfl.co.in/Scheme\\_of\\_Arrangement\\_Demerger.php](https://www.gfl.co.in/Scheme_of_Arrangement_Demerger.php) and on the website of Central Depository Services Limited (CDSL) <https://www.evotingindia.com>.
14. In compliance with the NCLT Order, the Notice is being sent to all the Members whose names appear in the



Register of Members/Beneficial Owners as on 28<sup>th</sup> March, 2019 as per the details furnished by the Depositories. The Equity Shareholders holding equity shares as on 4<sup>th</sup> May, 2019, being the cut-off date for recognizing Shareholders eligible for voting, will be entitled to exercise their right to vote on the above resolution. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of Equity Shareholders as on the cut-off date i.e. 4<sup>th</sup> May, 2019. Persons who are not Equity Shareholders of the Applicant Company as on the cut-off date i.e. 4<sup>th</sup> May, 2019 should treat this notice for information purposes only.

15. The voting by the Equity Shareholders through the e-voting shall commence at 09.00 am on Wednesday, 8<sup>th</sup> day of May, 2019 and shall close at 05.00 pm on Friday, 10<sup>th</sup> day of May, 2019.
16. The notice convening the Meeting will be published through advertisement in (i) Business Standard in the English language; and (ii) translation thereof in Divya Bhaskar in Gujarati language.
17. Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 (“SEBI Circular”) issued by the Securities and Exchange Board of India (“SEBI”), inter alia, provides that approval of public Shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through e-voting. Since, the Applicant Company is seeking the approval of all of its Equity Shareholders (which includes public Shareholders) to the Scheme by way of e-voting, no separate procedure for voting through e-voting would be required to be carried out by the Applicant Company for seeking the approval to the Scheme by its public Shareholders in terms of SEBI Circular. The aforesaid notice sent to the Equity Shareholders (which includes public Shareholders) of the Applicant Company would be deemed to be the notice sent to the public Shareholders of the Applicant Company. For this purpose, the term “public” shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term “public Shareholders” shall be construed accordingly. In terms of SEBI Circular the Applicant Company has provided the facility of e-voting to its public Shareholders.

The Tribunal, by its Order dated 28<sup>th</sup> March, 2019 has, inter alia, held that the Applicant Company is directed to convene a Meeting of its Equity Shareholders. Equity Shareholders are required to pass the resolution approving the Scheme by e-voting or polling paper at the venue. Since Equity Shareholders include public Shareholders, their votes cast by e-voting will be sufficient compliance of SEBI Circular.

18. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the Equity Shareholders of the Applicant Company, voting in person or by proxy or e-voting, vote in favour of the Scheme.
19. The Applicant Company has engaged the services of Central Depository Services Limited (CDSL) for facilitating e-voting for the said Meeting to be held on 11<sup>th</sup> day of May, 2019. Equity Shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned below.
20. Mr. Satyanarain Samdani (Membership No F3677 COP No. 2863), Partner of M/s. Samdani Shah & Kabra, Practicing Company Secretaries and failing him Mr. Suresh Kabra, Partner of M/s. Samdani Shah & Kabra, Practicing Company Secretaries (Membership No. A9711) have been appointed as the scrutinizer to conduct the e-voting process and voting at the venue of the Meeting in a fair and transparent manner.
21. The scrutinizer will submit his combined report to the Chairman of the Meeting after completion of the scrutiny of the votes cast by the Equity Shareholders of the Applicant Company through (i) e-voting process and (ii) polling paper at the venue of the Meeting. The scrutinizer’s decision on the validity of the vote (including e-votes) shall be final. The results of votes cast through (i) e-voting process and (ii) polling paper at the venue of the Meeting will be announced within 48 hours from conclusion of the Meeting. The results, together with the Scrutinizer’s Reports, will be displayed at the Registered Office of the Applicant Company, on the website of the Applicant Company, [https://www.gfl.co.in/Scheme\\_of\\_Arrangement\\_Demerger.php](https://www.gfl.co.in/Scheme_of_Arrangement_Demerger.php) and on the website of Central Depository Services Limited (CDSL) at <https://www.evotingindia.com>, besides being communicated to BSE Limited and National Stock Exchange of India Limited.
22. The Equity Shareholders of the Applicant Company attending the Meeting who have not cast their

vote either through e-voting shall be entitled to exercise their vote at the venue of the Meeting. Equity Shareholders who have cast their votes through e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

23. The voting through e-voting period will commence at 09.00 am on Wednesday, the 8<sup>th</sup> day of May, 2019 and will end at 05.00 pm on Friday, the 10<sup>th</sup> day of May, 2019. During this period, the Equity Shareholders of the Applicant Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. on Saturday, 4<sup>th</sup> day of May, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently.
24. Any queries/grievances in relation to the voting by e-voting may be addressed to the Company Secretary of the Applicant Company at ABS Towers, 2nd Floor, OP Road, Vadodara – 390007, or through email to [bvdesai@gfl.co.in](mailto:bvdesai@gfl.co.in), Company Secretary of the Applicant Company can also be contacted at 0265- 6198111 Any query/grievance related to the e-voting may be addressed to CDSL at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### **Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the Meeting by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the Meeting (“remote e-voting”) will be provided by Central Depository Services Limited (CDSL).
- II. The facility for voting through polling paper shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through polling paper.
- III. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

### **Instructions for E-Voting**

- IV. The remote e-voting period commences on Wednesday, the 8<sup>th</sup> day of May, 2019 (9:00 am) and ends on Friday, the 10<sup>th</sup> day of May, 2019 (5:00 pm). During this period Members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 4<sup>th</sup> May, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by a member, that member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - (i) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on Shareholders.
  - (iii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv) Next enter the Image Verification as displayed and Click on Login.

- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of GUJARAT FLUOROCHEMICALS LIMITED
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also use Mobile app - “m - Voting” for e voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xviii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- VI. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting through polling paper.

#### **Instructions for Voting at Meeting**

The Chairman shall, at the Meeting, at the end of discussion on the Resolution on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Polling Paper” for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.

- VII. The Scrutinizer shall after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the Meeting, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- VIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [https://www.gfl.co.in/Scheme\\_of\\_Arrangement\\_Demerger.php](https://www.gfl.co.in/Scheme_of_Arrangement_Demerger.php) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges at which the shares of the Company are listed.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH  
COMPANY SCHEME APPLICATION NO 46 OF 2019**

In the matter of Companies Act, 2013;

And

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

And

In the matter of Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders

<b>Gujarat Fluorochemicals Limited,</b>	)	
a company incorporated under the provisions	)	
of the Companies Act, 1956, and having its Registered Office	)	
at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba,	)	
District Panchmahal, Gujarat-389380	)	..... <b>Applicant</b>
<b>Company</b>		

**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, ARRANGEMENT AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE NCLT CONVENED MEETING AND THE NOTICE FOR REMOTE E-VOTING IN THE MANNER SET OUT UNDER SEBI CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017 OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY**

1. Pursuant to an Order dated 28<sup>th</sup> March, 2019 passed by the National Company Law Tribunal, Ahmedabad Bench (“NCLT” or “Tribunal”) in the Company Application no. 46/230-232/NCLT/AHM/2019, a Meeting of the Equity Shareholders of Gujarat Fluorochemicals Limited (hereinafter referred to as “**Applicant Company**” or “**Demerged Company**” or “**GFL 1**” or “**Company**”) is being convened and held at Registered office of the Company situated at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380 on Saturday, 11<sup>th</sup> May, 2019. at 11:00 am for the purpose of considering and if thought fit, approving with or without modifications the proposed Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (**'the Scheme'**).
2. Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 ('the SEBI Circular') issued by the Securities and Exchange Board of India ('SEBI'), inter alia, requires the Applicant Company to provide for voting by Public Shareholders through e-voting. Since Gujarat Fluorochemicals Limited is seeking the approval of its Equity Shareholders (which includes Public Shareholders) to the Scheme by way of e-voting, no separate procedure for voting through e-voting would be required to be carried out by GFL 1 for seeking the approval to the Scheme by its Public Shareholders in terms of the SEBI Circular.
3. The draft Scheme was placed before the Audit Committee and Board of Directors of the Applicant Company at their Meeting held on 14<sup>th</sup> day of November, 2018. In accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017, the Audit Committee of the Company vide a resolution passed on 14<sup>th</sup> day of November, 2018 recommended the Scheme to the Board of Directors of

the Applicant Company *inter-alia* taking into account:

- a) The Share Entitlement Report issued by Walker Chandiook & Co LLP dated 13<sup>th</sup> day of November, 2018 for issue of shares pursuant to the Scheme;
- b) The Fairness Opinion issued by Keynote Corporate Services Limited, an independent Category I Merchant Banker dated 13<sup>th</sup> day of November, 2018 on the fairness of the Valuation Report;
- c) Statutory Auditors' certificate dated 13<sup>th</sup> day of November, 2018 issued by Kulkarni and Company, Chartered Accountants, Statutory Auditors of the Applicant Company, in relation to the accounting treatment prescribed in the Scheme.

4. Copy of the Share Entitlement Report and the Fairness Opinion are enclosed to this Notice.
5. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Applicant Company had come to the conclusion that the Scheme is in the interest of the Applicant Company and its Shareholders. A copy of the Scheme, as approved by the Board of Directors of the respective companies, is enclosed herewith to this Notice

**6. BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:**

**Gujarat Fluorochemicals Limited (“Applicant Company” or “Demerged Company” or “GFL 1” or “Company”)**

- a) Gujarat Fluorochemicals Limited was incorporated as a Public Limited Company on 4<sup>th</sup> February, 1987 under the name ‘Gujarat Fluorochemicals Limited’. Name of the Applicant Company was changed to ‘Gujarat Fluorochemicals Limited’ vide fresh certificate of incorporation consequent upon change of name dated 9<sup>th</sup> January, 1990. There has been no further change in the name of the Applicant Company in the last five (5) years. The Corporate Identification Number of the Applicant Company is L24110GJ1987PLC009362. Permanent Account Number of the Applicant Company is AAACG6725H. Email id of the Applicant Company is [bvdesai@gfl.co.in](mailto:bvdesai@gfl.co.in).
- b) The Registered Office of the Applicant Company is situated at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380, India. There has been no further change in the Registered Office address of the Applicant Company in the last five (5) years
- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of the Applicant Company as on 31<sup>st</sup> March, 2018 are as under:

Particulars	Amount (Rs.)
<b>Authorized Share Capital</b>	
20,00,00,000 Equity Shares of Re. 1/- each	20,00,00,000
<b>TOTAL</b>	<b>20,00,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
10,98,50,000 Equity Shares of Re. 1/- each	10,98,50,000
<b>TOTAL</b>	<b>10,98,50,000</b>

The shares of the Applicant Company are currently listed on BSE Limited and National Stock Exchange of India Limited.

- d) The Applicant Company is engaged in the business of manufacturing of chemicals, fluoropolymers, refrigerants etc. It also carries on other business through its investments in group companies, including Inox Wind Limited (“IWL”) engaged in the business of providing wind energy solutions and in Inox Leisure Limited (“ILL”) engaged in the Entertainment business. Shares of IWL and ILL are also listed on the BSE Limited and National Stock Exchange of India Limited.
- e) The objects for which the Applicant Company has been established are set out in its Memorandum

of Association. The extracts of the main objects of the Applicant Company are set out hereunder:

**A. THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE**

1. *To carry on the business of manufacture, store, process, buy, sell, distribute, market, export, import or otherwise deal in refrigerant gases of all types including chlorofluoro carbon, refrigerant gases, their mixtures, hydrofluoric acid, by products and derivatives, fluorine products, polymers and organic and inorganic compounds and intermediates and to manufacture, assemble, fabricate, repair and maintain apparatus, equipments, plant, machinery and devices used in manufacture, transportation, delivery and application of all kinds of gases including hydrofluoric acid, refrigerant gases, their derivatives, compounds and by-products.*
2. *To carry on the business of manufacture, store, export, import, buy, sell, market, distribute or otherwise deal in all kinds of gases and their residual and by-products, intermediates, organic and inorganic chemicals and chemical products and compounds and of plant, machinery and equipment and raw materials used in the manufacture of any of the aforesaid products.*

**Inox Fluorochemicals Limited (“Resulting Company” or “GFL 2”)**

- a) Inox Fluorochemicals Limited was incorporated as a Public Limited Company under the Companies Act, 2013 on 6<sup>th</sup> day of December, 2018. There has been no further change in the name of the Resulting Company since its incorporation. The Corporate Identification Number of the Resulting Company is U24304GJ2018PLC105479. Permanent Account Number of GFL 2 is AAFCI0903C. Email id of GFL 2 is [bvdesai@gfl.co.in](mailto:bvdesai@gfl.co.in).
- b) The Registered Office of the Resulting Company situated at the time of incorporation was Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380, India.
- c) The details of the issued, subscribed and paid-up share capital of GFL 2 as on 6<sup>th</sup> December, 2018 are as under:

Particulars	In Rupees
<b>Authorised Capital</b>	
1,00,000 Equity shares of Re.1 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
1,00,000 Equity shares of Re.1 each	1,00,000
<b>Total</b>	<b>1,00,000</b>

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Resulting Company.

- d) The Resulting Company is engaged in the business of manufacturing of chemicals, fluoropolymers, refrigerants etc.
- e) The objects for which the Resulting Company has been established are set out in its Memorandum of Association. The extract of the main objects of the Resulting Company are set out hereunder:

**A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE AS UNDER:-**

1. *To carry on the business of manufacture, store, process, buy, sell, distribute, market, export, import or otherwise deal in refrigerant gases of all types including refrigerant gases,*

*their mixtures, hydrofluoric acid, by products and derivatives, fluorine products, polymers and organic and inorganic compounds and intermediates and to manufacture, assemble, fabricate, repair and maintain apparatus, equipments, plant, machinery and devices used in manufacture, transportation, delivery and application of all kinds of gases including hydrofluoric acid, refrigerant gases, their derivatives, compounds and by-products.*

2. *To carry on the business of manufacture, store, export, import, buy, sell, market, distribute or otherwise deal in all kinds of gases and their residual and by-products, intermediates, organic and inorganic chemicals and chemical products and compounds and of plant, machinery and equipment and raw materials used in the manufacture of any of the aforesaid products.*
3. *To carry on in India, or elsewhere, in collaboration or otherwise, the business of manufacturers of and dealers in caustic soda, chlorine, chloromethanes, hydrochloric acids, chlorinated products and all the chemicals, chemical compounds (organic and inorganic) in all forms, and chemical products of any nature and kind whatsoever, and all by-products and joint products thereof.*

## **7. BACKGROUND OF THE SCHEME**

The Scheme *inter-alia* provides for the following:

- (i) Demerger of the Chemical Business Undertaking from the Demerged Company to the Resulting Company;
- (ii) Cancellation of equity shares held by the Demerged Company in the Resulting Company; and
- (iii) Issue of equal number of equity shares by the Resulting Company to the Shareholders of the Demerged Company.

## **8. RATIONALE OF THE SCHEME**

The Scheme is proposed to achieve the following benefits:

- a. Segregation of Businesses: GFL 1 is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL 1 is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL 1 are distinct and diverse in its business characteristics with different risk and return profiles, and capital and operational requirements. Thus the Scheme will help in segregating different businesses having different risk and return profiles, thus providing investors with better flexibility to select investments which best suit their investment strategies and risk profile.
- b. Administrative efficiencies: The Management of GFL 1 believes that the Scheme will result in economies in business operations, provide optimal utilization of resources and greater administrative efficiencies.
- c. Focused growth strategy: The Scheme will allow the management to have a focused growth strategy for each of the businesses.
- d. Investment opportunity: The Management of GFL 1 believes that there may be a segment of investors who may wish to invest only in the Chemical business. These investors are presently deprived of the opportunity of investing in only a Chemical business, and the implementation of the Scheme will provide them with this opportunity.
- e. Unlocking value: The proposed demerger of the Chemical business will unlock value for the existing Shareholders.



## 9. SALIENT FEATURES OF THE SCHEME

Salient features of the Scheme are set out as below:

- This Scheme of Arrangement is presented under Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as may be applicable, for demerger of Chemical Business Undertaking of Gujarat Fluorochemicals Limited with Inox Fluorochemicals Limited.
- “Appointed Date” means 1<sup>st</sup> April, 2019;
- “Effective Date” or “coming into effect of this Scheme” or “upon the Scheme becoming effective” or “effectiveness of the Scheme” means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by GFL 1 and GFL 2 with the jurisdictional Registrar of Companies;
- Upon the Scheme becoming effective and upon vesting of the Chemical Business Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the Shareholders of the Demerged Company whose name appears in the Register of Members of the Demerged Company as on Record Date (as may be decided by the Board of Directors of Resulting Company), their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:  
  
*“ 1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re. 1 each fully paid up held in the Demerged Company.”*
- Upon the issue of shares by the Resulting Company in accordance with Scheme, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment. Accordingly, the share capital of the Resulting Company shall stand reduced to the extent of the face value of shares held by the Demerged Company and its nominees upon the issue of shares by the Resulting Company in accordance with the Scheme.
- The Demerged Company and Resulting Company shall account for the Scheme in their respective books / financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including the treatment as provided in the Scheme
- The difference, if any, between the Net Assets and Transferred Reserves (transferred pursuant to clause 7.1.3) pertaining to the Chemical Business Undertaking demerged from Demerged Company pursuant to this Scheme shall be adjusted against the balance in General Reserves or Retained Earnings of the Demerged Company.
- All costs, charges, taxes including duties, levies and all other expenses, if any, (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

## 10. APPROVALS

- 10.1. Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. The Applicant Company has received the observation letters from BSE dated 15<sup>th</sup> February, 2019 and NSE dated 18<sup>th</sup> February, 2019 conveying their no-objection to the Scheme (“**Observation Letters**”). Copies of the aforesaid Observation Letters are enclosed herewith.
- 10.2. BSE and NSE vide their Observation Letters have advised that SEBI has given following comments on the Scheme of Arrangement:
- Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the websites of the listed company.*
  - Company shall duly comply with various provisions of the Circulars.*
  - Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
  - The Company shall ensure that the applicable information pertaining to unlisted companies - Inox Fluorochemicals Limited is included in abridged prospectus as per specified format.*
  - It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft Scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*
- 10.3. As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE on 15<sup>th</sup> January, 2019 and NSE on 31<sup>st</sup> day of January, 2019. A copy of the aforementioned Complaints Report are enclosed herewith.

## 11. CAPITAL STRUCTURE PRE AND POST ARRANGEMENT

The pre-Arrangement capital structure of the Applicant Company is mentioned in paragraph 6 above. Post the Arrangement capital structure of the Applicant Company would be the same. Post Arrangement, the equity shares held by the Demerged Company in the Resulting Company shall stand cancelled and as a consideration for the Arrangement similar number of shares will be issued to the Equity Shareholders of the Demerged Company.

The pre-Arrangement capital structure of the Demerged Company is mentioned in paragraph 6 above. Post the Arrangement, the capital structure of the Resulting Company shall be as under:

Particulars	Amount (Rs.)
<b>Authorized Share Capital</b>	
20,00,00,000 Equity Shares of Re. 1/- each	20,00,00,000
<b>TOTAL</b>	<b>20,00,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
10,98,50,000 Equity Shares of Re. 1/- each	10,98,50,000
<b>TOTAL</b>	<b>10,98,50,000</b>

## 12. PRE AND POST ARRANGEMENT SHAREHOLDING PATTERN

12.1 The pre and post Arrangement shareholding pattern of the Applicant Company as on 31<sup>st</sup> December, 2018 is as follows:

Sl. No.	Particulars Description	Pre-Arrangement		Post-Arrangement	
		No. of shares	%	No. of shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
	<b>Individuals/ Hindu Undivided Family</b>				
	Vivek Kumar Jain	20100	0.02	20100	0.02
	Devendra Kumar Jain	20100	0.02	20100	0.02
	Pavan Kumar Jain	20100	0.02	20100	0.02
	Siddharth Jain	20000	0.02	20000	0.02
	Devansh Jain	10000	0.01	10000	0.01
	Kapoor Chand Jain	10000	0.01	10000	0.01
	Nandita Jain	10000	0.01	10000	0.01
	Hem Kumari	10000	0.01	10000	0.01
	Nayantara Jain	10000	0.01	10000	0.01
	Sita Devi*	6000	0.01	6000	0.01
	<b>Any Other (specify) Bodies Corporate</b>				
	Inox Leasing And Finance Limited	57715310	52.54	57715310	52.54
	Devansh Trademart LLP	6662360	6.06	6662360	6.06
	Inox Chemicals LLP	2955230	2.69	2955230	2.69
	Siddhapavan Trading LLP	5576440	5.08	5576440	5.08
	Siddho Mal Trading LLP	2019260	1.84	2019260	1.84
	<b>Sub Total(A)(1)</b>	<b>75064900</b>	<b>68.33</b>	<b>75064900</b>	<b>68.33</b>
<b>2</b>	<b>Foreign</b>				
	<b>Sub Total(A)(2)</b>	Nil	N.A.	Nil	N.A.
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2)</b>	<b>75064900</b>	<b>68.33</b>	<b>75064900</b>	<b>68.33</b>
<b>(B)</b>	<b>Public shareholding</b>				
<b>B1)</b>	<b>Institutions</b>				
	Mutual Funds	3775163	3.44	3775163	3.44
	<i>HDFC Small Cap Fund</i>	<i>2181819</i>	<i>1.99</i>	<i>2181819</i>	<i>1.99</i>
	Foreign Portfolio Investors	4626717	4.21	4626717	4.21
	<i>Fil Investments(Mauritius)ltd</i>	<i>1243605</i>	<i>1.13</i>	<i>1243605</i>	<i>1.13</i>
	Financial Institutions/ Banks	100042	0.09	100042	0.09
	<b>Sub Total (B)(1)</b>	<b>8501922</b>	<b>7.74</b>	<b>8501922</b>	<b>7.74</b>
<b>B2)</b>	Central Government/ State Government(s)/ President of India	100	0.00	100	0.00

Particulars		Pre-Arrangement		Post-Arrangement	
Sl. No.	Description	No. of shares	%	No. of shares	%
	<b>Sub Total (B)(2)</b>	<b>100</b>	<b>0.00</b>	<b>100</b>	<b>0.00</b>
<b>B3)</b>	<b>Non-institutions</b>				
	Individual Shareholders holding nominal share capital up to Rs. 2 lakhs.	7785935	7.09	7785935	7.09
	Individual Shareholders holding nominal share capital in excess of Rs. 2 lakhs.	4122845	3.75	4122845	3.75
	NBFCs registered with RBI	166301	0.15	166301	0.15
	Any Other (Specify)	14207997	12.93	14207997	12.93
	IEPF	331687	0.30	331687	0.30
	Clearing Members-Category	187105	0.17	187105	0.17
	Trust	150	0.00	150	0.00
	NRI	620050	0.56	620050	0.56
	Foreign Nationals	334	0.00	334	0.00
	HUF	2645814	2.41	2645814	2.41
	Bodies Corporate	10422857	9.49	10422857	9.49
	<i>Aadi Financial Advisors Llp</i>	<i>1270831</i>	<i>1.16</i>	<i>1270831</i>	<i>1.16</i>
	<i>Blue Daimond Properties Private Limited</i>	<i>1219251</i>	<i>1.11</i>	<i>1219251</i>	<i>1.11</i>
	<i>Bhanshali Manek Huf</i>	<i>1354943</i>	<i>1.23</i>	<i>1354943</i>	<i>1.23</i>
	<b>Sub-Total (B)(3)</b>	<b>26283078</b>	<b>23.92</b>	<b>26283078</b>	<b>23.92</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B) (1)+(B)(2)+(B)(3)</b>	<b>34785100</b>	<b>31.67</b>	<b>34785100</b>	<b>31.67</b>
<b>(C1)</b>	Shares underlying DRs	Nil	N.A.	Nil	N.A.
<b>(C2)</b>	Shares held by Employee Trust	Nil	N.A.	Nil	N.A.
<b>(C)</b>	Non Promoter-Non Public	Nil	N.A.	Nil	N.A.
	<b>GRAND TOTAL</b>	<b>109850000</b>	<b>100</b>	<b>109850000</b>	<b>100</b>

\*Post 31<sup>st</sup> December, 2018, Ms. Sita Devi has sold her shares and the Company has made necessary disclosures for the same.

12.2 The pre and post Arrangement shareholding pattern of the Resulting Company as on 6<sup>th</sup> December, 2018 is as follows:

Particulars		Pre-Arrangement		Post-Arrangement	
Sl. No.	Description	No. of shares	%	No. of shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
	<b>Individuals/ Hindu Undivided Family</b>				
	Vivek Kumar Jain	100**	0.10	20100	0.02
	Devendra Kumar Jain	-	-	20100	0.02
	Pavan Kumar Jain	100**	0.10	20100	0.02
	Siddharth Jain	-	-	20000	0.02
	Devansh Jain	100**	0.10	10000	0.01
	Kapoor Chand Jain	-	-	10000	0.01
	Nandita Jain	-	-	10000	0.01
	Hem Kumari	-	-	10000	0.01
	Nayantara Jain	-	-	10000	0.01
	Sita Devi*	-	-	6000	0.01
	Deepak Ranjit Asher	100**	0.10	-	-
	Dinesh Kumar Sachdeva	100**	0.10	-	-
	Mukesh Patni	100**	0.10	-	-
	<b>Any Other (specify) Bodies Corporate</b>				
	Gujarat Fluorochemicals Limited	99400	99.40	-	-
	Inox Leasing And Finance Limited	-	-	57715310	52.54
	Devansh Trademart LLP	-	-	6662360	6.06
	Inox Chemicals LLP	-	-	2955230	2.69
	Siddhapavan Trading LLP	-	-	5576440	5.08
	Siddho Mal Trading LLP	-	-	2019260	1.84
	<b>Sub Total(A)(1)</b>	<b>100000</b>	<b>100</b>	<b>75064900</b>	<b>68.33</b>
<b>2</b>	<b>Foreign</b>				
	<b>Sub Total(A)(2)</b>	Nil	N.A.	Nil	N.A.
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>100000</b>	<b>100</b>	<b>75064900</b>	<b>68.33</b>
<b>(B)</b>	<b>Public shareholding</b>				
<b>B1)</b>	<b>Institutions</b>				
	Mutual Funds	-	-	3775163	3.44
	<i>HDFC Small Cap Fund</i>	-	-	2181819	1.99
	Foreign Portfolio Investors	-	-	4626717	4.21
	<i>Fil Investments(Mauritius)ltd</i>	-	-	1243605	1.13
	Financial Institutions/ Banks	-	-	100042	0.09

Particulars		Pre-Arrangement		Post-Arrangement	
Sl. No.	Description	No. of shares	%	No. of shares	%
	<b>Sub Total B1</b>	Nil	N.A.	<b>8501922</b>	<b>7.74</b>
<b>B2)</b>	Central Government/ State Government(s)/ President of India	-	-	100	0.00
	<b>Sub-Total (B)(2)</b>	Nil	N.A.	<b>100</b>	<b>0.00</b>
<b>B3)</b>	<b>Non-institutions</b>				
	Individual Shareholders holding nominal share capital up to Rs. 2 lakhs.	-	-	7785935	7.09
	Individual Shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	4122845	3.75
	NBFCs registered with RBI	-	-	166301	0.15
	Any Other (Specify)	-	-	14207997	12.93
	IEPF	-	-	331687	0.30
	Clearing Members-Category	-	-	187105	0.17
	Trust	-	-	150	0.00
	NRI	-	-	620050	0.56
	Foreign Nationals	-	-	334	0.00
	HUF	-	-	264581427	2.41
	Bodies Corporate	-	-	10422857	9.49
	<i>Aadi Financial Advisors Llp</i>	-	-	<i>1270831</i>	<i>1.16</i>
	<i>Blue Daimond Properties Private Limited</i>	-	-	<i>1219251</i>	<i>1.11</i>
	<i>Bhanshali Manek Huf</i>	-	-	<i>1354943</i>	<i>1.23</i>
	<b>Sub-Total (B)(3)</b>	Nil	N.A.	<b>26283078</b>	<b>23.93</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B) (1)+(B)(2)+(B)(3)</b>	Nil	N.A.	<b>34785100</b>	<b>31.67</b>
<b>(C1)</b>	Shares underlying DRs	Nil	N.A.	Nil	N.A.
<b>(C2)</b>	Shares held by Employee Trust	Nil	N.A.	Nil	N.A.
<b>(C)</b>	Non Promoter-Non Public	Nil	N.A.	Nil	N.A.
	<b>GRAND TOTAL</b>	<b>100000</b>	<b>100</b>	<b>109850000</b>	<b>100</b>

\*Post 31<sup>st</sup> December, 2018, Ms. Sita Devi has sold her shares and the Company has made necessary disclosures for the same.

\*\* Nominee Shareholders of the Applicant Company i.e. Gujarat Fluorochemicals Limited

### 13. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

13.1 The Directors and Key Managerial Personnel (KMP) and their respective relatives of the Applicant Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Applicant Company, or to the extent the said Directors/ KMP are the partners, directors, Members of the companies, firms, association of persons, bodies corporate and/ or beneficiary of trust that hold shares in the Applicant Company. Save as aforesaid, none of the

Directors, Managing Director or the Manager or KMP of the Applicant have any material interest in the Scheme.

13.2 The details of the present directors and KMP of the Applicant Company and their respective shareholdings in the Applicant Company and the Resulting Company as on 31<sup>st</sup> December, 2018 are as follows:

Name of Directors / KMP	Designation	Equity Shares of Re. 1/- each in the Applicant Company	Equity Shares of Re. 1/- each in the Resulting Company
Chandra Prakash Jain	Director	-	-
Shanti Prashad Jain	Director	-	-
Devendra Kumar Jain	Director	20,100	-
Vivek Kumar Jain	Managing Director	20,100	100*
Pavan Kumar Jain	Director	20,100	100*
Deepak Ranjit Asher	Director	-	100*
Dinesh Kumar Sachdeva	Whole time Director	-	100*
Shailendra Swarup	Director	-	-
Om Prakash Lohia	Director	-	-
Rajagopalan Doraiswami	Director	-	-
Vanita Bhargava	Director	-	-
Anand Rambhau Bhusari	Whole time Director	-	-
Bhavin Vipin Desai	Company Secretary	-	-
Manoj Shripati Agarwal	CFO (KMP)	-	-

\* Nominee Shareholders of the Applicant Company i.e. Gujarat Fluorochemicals Limited

13.3 The details of the present directors and KMP of the Resulting Company and their respective shareholdings in the Resulting Company and the Applicant Company as on 31<sup>st</sup> December, 2018 are as follows:

Name of Directors / KMP	Designation	Equity Shares of Re. 1/- each in the Resulting Company	Equity Shares of Re. 1/- each in the Applicant Company
Chandra Prakash Jain	Director	-	-
Shanti Prashad Jain	Director	-	-
Devendra Kumar Jain	Director	-	20,100
Vivek Kumar Jain	Director	100**	20,100
Pavan Kumar Jain	Director	100**	20,100
Deepak Ranjit Asher	Director	100**	-
Dinesh Kumar Sachdeva	Whole time Director	100**	-
Shailendra Swarup	Director	-	-
Om Prakash Lohia	Director	-	-
Rajagopalan Doraiswami	Director	-	-
Vanita Bhargava	Director	-	-
Anand Rambhau Bhusari	Whole time Director	-	-

\*\* Nominee Shareholders of the Applicant Company i.e. Gujarat Fluorochemicals Limited

## 14. GENERAL

- 14.1 As on the date of this notice, the Applicant Company is the Holding Company of the Resulting Company and all the Directors of the Applicant Company are also the Directors of Resulting Company.
- 14.2 The Applicant Company and the Resulting Company have made joint application before the National Company Law Tribunal, Ahmedabad Bench for the sanction of the Scheme under Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.
- 14.3 The amount due from the Applicant Company to its Secured Creditors as on 31<sup>st</sup> December, 2018 is Rs. 1,44,24,41,950.84 (Rupees One Hundred and Forty Four Crores Twenty Four Lacs Forty One Thousand Nine Hundred Fifty and Eighty Four paisa only).
- 14.4 The amount due from the Applicant Company to its Unsecured Creditors as on 31<sup>st</sup> December, 2018 is Rs. 9,54,36,18,053.82 (Rupees Nine Hundred and Fifty Four Crores Thirty Six Lacs Eighteen Thousand Fifty Three and Eighty Two paisa only).
- 14.5 The amount due from the Resulting Company to its Secured Creditors as on 31<sup>st</sup> December, 2018 is Rs. NIL.
- 14.6 The amount due from the Resulting Company to its Unsecured Creditors as on 31<sup>st</sup> December, 2018 is Rs. NIL.
- 14.7 In relation to the Meeting of the Applicant Company, Equity Shareholders of the Applicant Company whose names are appearing in the records of the Applicant Company as on 4<sup>th</sup> May, 2019 shall be eligible to attend and vote at the Meeting of the Equity Shareholders of the Applicant Company either in person or by proxies convened as per the directions of the Tribunal or cast their votes using remote e-voting facility.
- 14.8 Under the Scheme, there is no Arrangement with the creditors of the Applicant Company. No compromise is offered under the Scheme to any of the creditors of the Applicant Company. The liability to the creditors of the Applicant Company, under the Scheme, is neither reduced nor being extinguished.
- 14.9 None of Directors and KMPs of the Applicant Company or their respective relatives is in any way connected or interested in the aforesaid resolution except to the extent of their respective shareholding, if any.
- 14.10 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 Company.
- 14.11 The Applicant Company and the Resulting 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, Securities Exchange Board of India, BSE Limited, The National Stock Exchange of India Limited and Income-tax authorities as may be applicable and it will obtain the same at the relevant time.
- 14.12 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 null and void.
- 14.3 Names and addresses of the Directors and Promoters of the Applicant Company are as under:

Sl. No.	Name of Director	Address
1.	Chandra Prakash Jain	396-C, Sheikh Sarai Phase-I New Delhi 110017 Delhi India
2.	Shanti Prashad Jain	J-57, Ashok Vihar, Phase -1 Delhi 110052 Delhi India



Sl. No.	Name of Director	Address
3.	Devendra Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
4.	Vivek Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
5.	Pavan Kumar Jain	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
6.	Deepak Ranjit Asher	17/1,Utkanth Society, B/H-Alkapuri Club, Alkapuri Vadodara 390007 Gujarat India
7.	Dinesh Kumar Sachdeva	BP-2, Vrajdeep Apartments, Opp. Rokadnath Soc. Race Course, Vadodara 390007 Gujarat India
8.	Shailendra Swarup	127, Sunder Nagar New Delhi 110003 India
9.	Om Prakash Lohia	R-69 Greater Kailash Part-1 New Delhi 110048 India
10.	Rajagopalan Doraiswami	6123, Embassy Pristine, Iblur, B/H Suncity Appartment, Bellandur, Bengaluru 560103 Karnataka India
11.	Vanita Bhargava	C-322, First Floor Defence Colony, New Delhi 110024 India
12.	Anand Rambhau Bhusari	E-1, Sector-1, Near Gokul Guest-House, Petrochemicals Township, Vadodara 391345 Gujarat India

Sl. No.	Name of Promoter	Address
1.	Vivek Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
2.	Devendra Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
3.	Pavan Kumar Jain	31, Benzer Terrace A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
4.	Siddharth Jain	94, Benzer Terrace , Sea Face Worli, Mumbai 400018, Maharashtra, India
5.	Devansh Jain	47 Golf Links New Delhi 110003 Delhi India
6.	Kapoor Chand Jain	C/o Siddhomal Paper Convesion Co, 611 Kailash Building, 26 KG Marg, New Delhi 110001
7.	Nandita Jain	47 Golf Links New Delhi 110003 Delhi India
8.	Hem Kumari	C/o Siddhomal Paper Convesion Co, 611 Kailash Building, 26 KG Marg, New Delhi 110001
9.	Nayantara Jain	31 Benzer Terrace A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
10.	Sita Devi	36 Golf Links New Delhi 110003 India
11.	Inox Leasing And Finance Limited	69 Jolly Maker Chambers Nariman Point Mumbai – 400021, Maharashtra India
12.	Devansh Trademart LLP	Inox Group,612-618 Narain Manzil 06th Floor, 23, Barakhamba Road New Delhi Central Delhi - 110001 India
13.	Inox Chemicals LLP	Inox Group,612-618 Narain Manzil 06th Floor, 23, Barakhamba Road New Delhi Central Delhi - 110001 India
14.	Siddhapavan Trading LLP	Inox Group. 612-618 Narain Manzil. 6th Floor 23 Barakhamba Road New Delhi New Delhi - 110001 India
15.	Siddho Mal Trading LLP	Inox Group,612-618 Narain Manzil 06th Floor, 23, Barakhamba Road New Delhi Central Delhi - 110001 India

14.14 Names and addresses of the directors and promoters of the Resulting Company are as under:

Sl. No.	Name of Director	Address
1.	Chandra Prakash Jain	396-C, Sheikh Sarai Phase-I New Delhi 110017 Delhi India
2.	Shanti Prashad Jain	J-57, Ashok Vihar, Phase -1 Delhi 110052 Delhi India
3.	Devendra Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
4.	Vivek Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
5.	Pavan Kumar Jain	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
6.	Deepak Ranjit Asher	17/1,Utkanth Society, B/H-Alkapuri Club, Alkapuri Vadodara 390007 Gujarat, India
7.	Dinesh Kumar Sachdeva	BP-2, Vrajdeep Appartments, Opp. Rokadnath Soc. Race Course, Vadodara 390007 Gujarat India
8.	Shailendra Swarup	127, Sunder Nagar New Delhi 110003 Delhi India
9.	Om Prakash Lohia	R-69 Greater Kailash Part-1 New Delhi 110048 Delhi India
10.	Rajagopalan Doraiswami	6123, Embassy Pristine, Iblur, B/H Suncity Appartment, Bellandur, Bengaluru 560103 Karnataka India
11.	Vanita Bhargava	C-322, First Floor Defence Colony, New Delhi 110024 Delhi India
12.	Anand Rambhau Bhusari	E-1, Sector-1, Near Gokul Guest-House, Petrochemicals Township, Vadodara 391345 Gujarat India

Sl. No.	Name of Promoter	Address
1.	Gujarat Fluorochemicals Limited	Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India
2.	Vivek Kumar Jain*	47, Golf Links New Delhi 110003 Delhi India
3.	Deepak Ranjit Asher*	17/1-Utkanth Society B/H-Alkapuri Club, Alkapuri Vadodara 390007 Gujarat India
4.	Pavan Kumar Jain*	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
5.	Dinesh Kumar Sachdeva*	BP-2, Vrajdeep Appartments, Opp. Rokadnath Soc. Race Course, Vadodara 390007 Gujarat India
6.	Devansh Jain*	47 Golf Links New Delhi 110003 Delhi India
7.	Mukesh Patni*	113, Shikha Apartment, 48 IP Extension, Patparganj, Delhi - 110092

\*Nominee shareholders holding shares on behalf of Gujarat Fluorochemicals Limited.

14.15 Details of Directors of the Applicant Company who voted in favour / against / did not participate on resolution passed at the Meeting of the Board of Directors of the Applicant Company held on 14<sup>th</sup> November,2018 are given below:

Sl. No.	Name of Director	Voted in favour / against / did not participate
1.	Chandra Prakash Jain	Favour
2.	Shanti Prashad Jain	Favour

3.	Devendra Kumar Jain	Favour
4.	Vivek Kumar Jain	Favour
5.	Pavan Kumar Jain	Leave of Absence
6.	Deepak Ranjit Asher	Favour
7.	Dinesh Kumar Sachdeva	Leave of Absence
8.	Shailendra Swarup	Favour
9.	Om Prakash Lohia	Favour
10.	Rajagopalan Doraiswami	Favour
11.	Vanita Bhargava	Leave of Absence
12.	Anand Rambhau Bhusari	Leave of Absence

14.16 Details of directors of the Resulting Company who voted in favour / against / did not participate on resolution passed at the Meeting of the Board of Directors of the Resulting Company held on 12<sup>th</sup> December, 2018 are given below:

Sl. No.	Name of Director	Voted in favour / against / did not participate
1.	Chandra Prakash Jain	Favour
2.	Shanti Prashad Jain	Favour
3.	Devendra Kumar Jain	Favour
4.	Vivek Kumar Jain	Favour
5.	Pavan Kumar Jain	Leave of Absence
6.	Deepak Ranjit Asher	Favour
7.	Dinesh Kumar Sachdeva	Leave of Absence
8.	Shailendra Swarup	Favour
9.	Om Prakash Lohia	Favour
10.	Rajagopalan Doraiswami	Leave of Absence
11.	Vanita Bhargava	Favour
12.	Anand Rambhau Bhusari	Leave of Absence

14.17 For the purpose of Scheme of Arrangement of the Applicant Company and the Resulting Company and their Shareholders, M/s Walker Chandiook & Co. LLP, have recommended the share entitlement ratio of allotment of equity shares. Accordingly, 1 (one) equity share shall be issued by the Resulting Company for 1 (one) equity share held in the Applicant Company as on the Record Date to the Shareholders of the Applicant Company. Keynote Corporate Services Limited, a Category I Merchant Banker after having reviewed the share entitlement report of M/s Walker Chandiook & Co. LLP and on consideration of all the relevant factors and circumstances, opined that in their view the independent valuer's proposed share allotment is fair.

14.18 A report adopted by the Directors of the Applicant Company, explaining effect of the Scheme on each class of Shareholders, key managerial personnel, promoters and non-promoter Shareholders, laying out in particular the share allotment, is attached herewith. The Applicant 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 Applicant Company are concerned.

14.19 A copy of the Supplementary Unaudited Financial Statement of the Applicant Company as on 31<sup>st</sup> December, 2018 and the Audited Financial Statement of the Resulting Company as on 12<sup>th</sup> December, 2018 are attached herewith.

14.20 As stated in the Scheme, all the permanent staff, workmen and employees of the Applicant

Company engaged in or in relation to the Chemical business undertaking who are in service as on the Effective Date shall become staff, workmen and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment shall not be less favorable than those applicable to them with reference to their employment with the respective Demerged Company as on the Effective Date.

14.21 The following documents will be open for inspection to the Equity Shareholders of the Applicant Company at its Registered Office at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India, between 10.00 am and 05.00 pm on all days (except Saturdays, Sundays and public holidays) upto the date of the Meeting:

- (i) Copy of the order passed by the NCLT in Company Scheme Application No. 46/NCLT/AHM/2019 dated 28<sup>th</sup> March, 2019 of the Applicant Company and the Resulting Company;
- (ii) Copy of the Company Scheme Application No. 46 of 2019 along with annexures filed by the Applicant Company and the Resulting Company before NCLT;
- (iii) Copy of the Memorandum and Articles of Association of the Applicant Company and the Resulting Company, respectively;
- (iv) Copy of the Annual Reports of the Applicant Company for the financial year ended 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018;
- (v) Copy of the Supplementary Unaudited Financial Statement of the Applicant Company for the period ended 31<sup>st</sup> December, 2018 and the Audited Financial Statement of the Resulting Company for the period ended 12<sup>th</sup> December, 2018;
- (vi) Copy of the Register of Directors', shareholding of the Applicant Company and the Resulting Company, respectively;
- (vii) Copy of Share Entitlement Report, dated 13<sup>th</sup> day of November, 2018 submitted by M/s Walker Chandiook & Co. LLP;
- (viii) Copy of the Fairness Opinion, dated 13<sup>th</sup> day of November, 2018, issued by Keynote Corporate Services Limited, to the Board of Directors of the Applicant Company;
- (ix) Copy of the Audit Committee Report, dated 14<sup>th</sup> day of November, 2018, of the Applicant Company;
- (x) Copy of the resolutions, dated 14<sup>th</sup> day of November, 2018 passed by the Board of Directors of the Applicant Company and dated 12<sup>th</sup> day of December, 2018 passed by the Board of Directors of the Resulting Company approving the Scheme;
- (xi) Copy of the extracts of the minutes of the Meetings, held on 14<sup>th</sup> day of November, 2018 and 12<sup>th</sup> day of December, 2018, of the Board of Directors of the Applicant Company and the Resulting Company, respectively, in respect of the approval of the Scheme;
- (xii) Copy of the Statutory Auditors' certificate dated 13<sup>th</sup> day of November, 2018 issued by M/s. Kulkarni & Company, Chartered Accountants, to the Applicant Company;
- (xiii) Abridged Prospectus as provided in Part D of Schedule VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations including applicable information pertaining to INOX Fluorochemicals Limited;
- (xiv) Copy of the Complaint Reports, dated 15<sup>th</sup> day of January, 2019 and 31<sup>st</sup> January, 2019, submitted by the Applicant Company to BSE and NSE respectively;

- (xv) Copy of the no adverse observations/no objection letter issued by BSE and NSE, dated 15<sup>th</sup> February, 2019 and 18<sup>th</sup> February, 2019, respectively, to the Applicant Company;
- (xvi) Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies along with challan evidencing filing of the Scheme;
- (xvii) Copy of the Scheme; and
- (xviii) Copy of the Reports dated 13<sup>th</sup> February, 2019 and 12<sup>th</sup> December, 2018 adopted by the Board of Directors of the Applicant Company and the Resulting Company, respectively, pursuant to the provisions of Section 232(2) (c) of the Act.

This Statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016. A copy of this Scheme, Explanatory Statement and Form of Proxy may be obtained free of charge on any working day (except Saturdays, Sundays and public holidays) prior to the date of the Meeting, from the Registered Office of Applicant Company.

**Chairman appointed for the Meeting**

Dated this 14<sup>th</sup> day of November, 2018

**Registered Office:**

Survey No 16/3, 26 and 27, Village Ranjitnagar,  
Taluka Ghoghamba, District Panchmahal, Gujarat – 389380

**SCHEME OF ARRANGEMENT  
BETWEEN  
GUJARAT FLUOROCHEMICALS LIMITED ('THE DEMERGED COMPANY' OR 'GFL1')  
AND  
INOX FLUOROCHEMICALS LIMITED ('THE RESULTING COMPANY' OR 'GFL 2')  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

**A) Preamble**

1. This Scheme of Arrangement ('Scheme') is presented under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, for demerger of the Chemical business of GFL 1 into the Resulting Company.
2. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**B) Rationale for the Scheme**

The Scheme shall achieve the following benefits:

- Segregation of Businesses: GFL 1 is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL 1 is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL 1 are distinct and diverse in its business characteristics with different risk and return profiles, and capital and operational requirements. Thus the scheme will help in segregating different businesses having different risk and return profiles, thus providing investors with better flexibility to select investments which best suit their investment strategies and risk profile.
- Administrative efficiencies: The management of GFL 1 believes that the scheme will result in economies in business operations, provide optimal utilization of resources and greater administrative efficiencies.
- Focused growth strategy: The scheme will allow the management to have a focused growth strategy for each of the businesses.
- Investment opportunity: The management of GFL 1 believes that there may be a segment of investors who may wish to invest only in the Chemical business. These investors are presently deprived of the opportunity of investing in only a Chemical business, and the implementation of the scheme will provide them with this opportunity.
- Unlocking value: The proposed demerger of the Chemical business will unlock value for the existing shareholders.

Hence, the scheme would be in the best interest of all the stakeholders.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of GFL 1. The Scheme would be in the best interest of all stakeholders in GFL 1.

**C) Parts of the Scheme**

The Scheme is divided into following parts:

- a) **Part A** deals with the Definitions and Share Capital;

- b) **Part B** deals with the demerger of the Chemical Business Undertaking (as defined hereinafter) into the Resulting Company;
- c) **Part C** deals with the General Terms and Conditions.

## PART A:

### DEFINITIONS AND SHARE CAPITAL

1. In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:
  - 1.1. **“Act” or “the Act”** means the Companies Act, 2013 and Rules framed thereunder as in force from time to time;
  - 1.2. **“Applicable Law”** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force;
  - 1.3. **“Appointed Date”** means April 1, 2019 or such other date as may be fixed by the National Company Law Tribunal or the Board of Directors (as defined hereinafter);
  - 1.4. **“Appropriate Authority”** means any applicable Central, State or local Government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Regional Director, Registrar of Companies, National Company Law Tribunal and Reserve Bank of India;
  - 1.5. **“Board of Directors” or “Board”** in relation to the Demerged Company and the Resulting Company, as the case may be, means the Board of Directors of such company, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the Board or by any such committee;
  - 1.6. **“Demerged Company” or “GFL 1”** means Gujarat Fluorochemicals Limited, a company incorporated under the Companies Act, 1956 and validly subsisting under the Companies Act, 2013, and having its registered office at Survey No 16/3 26 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat - 389380 India;
  - 1.7. **“Chemical Business Undertaking”** shall mean undertaking, business, activities and operations pertaining to business of manufacturing of chemicals of the Demerged Company comprising of all the assets (movable, immovable, tangible and / or intangible) and liabilities which relate thereto, or are necessary therefore and including specifically the following:
    - (a) All assets, title, properties (including leasehold land), interests, investments (including investments in subsidiaries, associates, joint ventures, shares, bonds, debentures, fixed deposits, mutual funds, alternate investment funds, other funds of any category or type, and art works etc. of the Demerged Company), loans, advances (including accrued interest) and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held for use in business, activities and operations, including but not limited to all land together with the buildings and structures standing thereon and rights and interests in all Land more specifically described in **Schedule I**, Factory and Office Building(s), equipment's, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, vehicles, deposits, all

stocks, assets, balances with banks, cash and cash equivalents, all customer contracts, contingent rights, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits (net of provisions there against), MAT credit whether or not recorded in the books, unabsorbed depreciation, unabsorbed business tax losses, credit for service tax, sales tax / value added tax / goods and service tax and / or any other statutes, incentives, if any, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc. pertaining to its Chemical Business Undertaking (collectively, the “Chemical Business Undertaking Assets”);

- (b) All debts (secured or unsecured), liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or un-asserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), deferred tax liability, etc. pertaining to the Chemical Business Undertaking activities (collectively, “Chemical Business Undertaking Liabilities”) and for the avoidance of doubts, it excludes guarantees, assurances, commitments and obligations issued or undertaken by the Demerged Company to the banks and / or financial institutions for any business other than the Chemical Business Undertaking);
- (c) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, relating to the undertaking, business, activities and operations pertaining to the Chemical Business Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, minimum alternate taxes, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to its Chemical Business Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Chemical Business Undertaking , and all other rights, title, interests, privileges and benefits of every kind in relation to its Chemical Business Undertaking (collectively, “Chemical Business Undertaking Contracts”);
- (d) All registrations, brands, trademarks, trade names, service marks, copyrights, patents (except the patents applications made by/patents under the Patents Act, 1970, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Demerged Company in the Chemical Business Undertaking (collectively, “Chemical Business Undertaking IP”);
- (e) All permits, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), environmental clearances, No Objection Certificates, Consent Orders, etc., consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, issued by any legislative, executive, or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local, administrative or judicial authority exclusively used or held for use by the Demerged Company in the undertaking, business,



activities and operations pertaining to the Chemical Business Undertaking (collectively, “Chemical Business Undertaking Licenses”);

- (f) All such permanent employees of the Demerged Company, employees/personnel engaged on contract basis and contract labourers and interns/ trainees, both on-shore and off-shore, as are primarily engaged in or in relation to the Chemical Business Undertaking, business, activities and operations pertaining to the Chemical Business Undertaking, at its respective offices, branches etc., and any other employees/personnel and contract labourers and interns/ trainees hired by the Demerged Company after the date hereof who are exclusively engaged in or in relation to the Chemical Business Undertaking, business, activities and operations pertaining to the Chemical Business Undertaking (collectively, “Chemical Business Undertaking Employees”);
- (g) All liabilities present and future (including contingent liabilities pertaining to or relating to the Chemical Business Undertaking of the Demerged Company), as may be determined by the Board of the Demerged Company;
- (h) All deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Chemical Business Undertaking of the Demerged Company;
- (i) All books, records, files, papers, directly or indirectly relating to the Chemical Business Undertaking of the Demerged Company, whether kept in electronic form or otherwise, but shall not include any portion of the remaining business of the Demerged Company; and
- (j) Any other asset / liability which is deemed to be pertaining to the Chemical Business Undertaking by the Board of the Demerged Company.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Chemical Business Undertaking or whether it arises out of the activities or operations of the Chemical Business Undertaking shall be decided by mutual agreement between the Board of the Demerged Company and the Resulting Company.

- 1.8. “Effective Date” or “coming into effect of this Scheme” or “upon the scheme becoming effective” or “effectiveness of the scheme”** means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by GFL 1 and GFL 2 with the jurisdictional Registrar of Companies;
- 1.9. “National Company Law Tribunal” or “Tribunal” or “NCLT”** means the National Company Law Tribunal, Ahmedabad Bench as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 of the Companies Act, 2013 of the Companies Act, 2013;
- 1.10. “Record Date”** shall be the date to be fixed by the Board of the Resulting Company in consultation with GFL 1 for the purpose of determining the equity shareholders of GFL 1 to whom Resulting Company would issue equity shares pursuant to this Scheme;
- 1.11. “Reserve pertaining to the Chemical Business Undertaking”** means the reserves of the Demerged Company as on the Appointed Date relating to the Chemical Business Undertaking and transferred as a part of Chemical Business Undertaking;
- 1.12. “Resulting Company” OR GFL2** means Inox Fluorochemicals Limited, company incorporated under the Act under Corporate Identification Number **U24304GJ2018PLC105479** and having registered office at Survey No 16/3 26 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat - 389380 India. The Resulting Company is a wholly owned subsidiary of GFL 1;

- 1.13. “Scheme” or “the Scheme” or “this Scheme”** means the Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 16 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws;
- 1.14. “SEBI”** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;
- 1.15. “SEBI Circular”** means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and any amendments thereof or modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- 1.16. “Share Entitlement Ratio”** means the ratio in which the equity shares of Resulting Company are to be issued and allotted to the shareholders of GFL 1 on demerger as per Part B of this Scheme;
- 1.17. “Stock Exchanges”** means the BSE Limited (‘BSE’) and/ or wherever applicable, the National Stock Exchange of India Limited (‘NSE’);

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

In the Scheme, unless the context otherwise requires:

- (i) reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme;
- (ii) references to the singular shall include the plural and vice versa and references to any gender includes the other gender;
- (iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Party beyond that which would have existed had this Clause been omitted.

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

- 2.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 16 of the Scheme, shall be effective from the Appointed Date and shall be operative from the Effective Date.

## **3. SHARE CAPITAL**

- 3.1. The authorized, issued, subscribed and paid-up share capital of GFL 1 as on March 31, 2018 is as under:

<b>Particulars</b>	<b>Amount in INR</b>
<b><u>Authorised Capital</u></b>	
200,000,000 Equity Shares of Re. 1/- each	200,000,000
<b>Total</b>	<b>200,000,000</b>
<b><u>Issued, Subscribed and Paid-up</u></b>	
109,850,000 Equity Shares of Re. 1/- each, fully paid up	109,850,000
<b>Total</b>	<b>109,850,000</b>

From March 31, 2018 until the date of the Scheme being approved by the Board of GFL 1, there has been no change in the authorised, issued, subscribed and paid up share capital of GFL 1.

- 3.2. The authorized, issued, subscribed and paid-up share capital of GFL 2 as on 6<sup>th</sup> December, 2018 is as under:

<b>Particulars</b>	<b>Amount in INR</b>
<b><u>Authorised Capital</u></b>	
100,000 Equity Shares of Re. 1/- each	100,000
<b>Total</b>	<b>100,000</b>
<b><u>Issued, Subscribed and Paid-up</u></b>	
100, 000 Equity Shares of Re. 1/- each, fully paid up	100,000
<b>Total</b>	<b>100,000</b>

**PART B:**

**DEMERGER OF THE CHEMICAL BUSINESS UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

**4. TRANSFER AND VESTING OF THE CHEMICAL BUSINESS UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

- 4.1. The Chemical Business Undertaking of the Demerged Company as defined in Clause 1.7 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:
- 4.1.1. All Chemical Business Undertaking Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme and its filing with the Registrar of Companies concerned shall stand vested in the Resulting Company and shall be deemed to be and become the property and as an integral part of the Resulting Company by operation of law. The vesting order and sanction of the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting through the Resulting Company and as the context may provide, by physical or constructive delivery or novation, or by endorsement and delivery, or by mere operation of the vesting order and its record or registration with the Registrar in accordance with the Act, as appropriate to the nature of the movable property vested. Upon the Scheme becoming effective the title to such property shall be deemed to have been mutated and recognized as that of the Resulting Company.
- 4.1.2. All Chemical Business Undertaking Assets that are other movable properties, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting order and by operation of law become the property of the Resulting Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Resulting Company and any document of title pertaining to the assets of the Chemical Business Undertaking shall also be deemed to have been mutated and recorded as titles of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title of such movable property in this regard.

- 4.1.3. All immovable properties of the Chemical Business Undertaking(including but not limited to the immovable properties mentioned in Schedule I), including owned land, leasehold land, together with the buildings and structures standing thereon and rights and interests in immovable properties of the Chemical Business Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme, and its filings with the concerned Registrar of Companies. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of law. The Resulting Company shall simultaneous with the filing and registration of the order of the NCLT sanctioning the Scheme be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable properties. Upon the Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government shall suffice as record of continuing titles with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable properties in this regard. It is hereby clarified that all the rights, title and interest of the Chemical Business Undertaking in any lease & license, leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company.
- 4.1.4. Notwithstanding anything contained in this Scheme, in respect of the immovable properties pertaining to the Chemical Business Undertaking of the Demerged Company, whether owned or leased, the Board of the Resulting Company may determine, for the purpose inter alia of payment of stamp duty, and vesting unto the Resulting Company and if the Board of the Resulting Company so decide, the concerned parties, whether executed before or after the Effective Date, shall execute and register or cause so as to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty, shall be deemed to be conveyed at a consideration being the ready-reckoner value of such properties. The execution of such conveyance shall form an integral part of the Scheme.
- 4.1.5. All Chemical Business Undertaking Liabilities including debts, liabilities (including deferred tax liability), contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed or not in the balance sheets of the Demerged Company shall stand vested in the Resulting Company and shall upon the scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. 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.
- 4.1.6. The transfer and vesting as aforesaid of the debts / liabilities shall be subject to the existing charges/ hypothecation/ mortgages, if any, as may be subsisting and created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements with respect to Chemical Business Undertaking to which the Demerged Company is a party wherein the assets of the Chemical Business Undertaking have been or are offered or

agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to those assets pertaining to the Chemical Business Undertaking and vested in the Resulting Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any other assets, if any of the Resulting Company

Provided that the Scheme shall not operate to enlarge the security for the said liabilities relating to the Chemical Business Undertaking which shall vest in Resulting Company by virtue of the Scheme and the Resulting Company shall not be obliged to create any further, or additional security thereof after the demerger has become effective or otherwise. The transfer/ vesting of the assets of the Chemical Business Undertaking as aforesaid shall be subject to the existing charges/ hypothecation/ mortgages over or in respect of the assets or any part thereof of the Chemical Business Undertaking.

- 4.1.7. All Chemical Business Undertaking Contracts including contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the Chemical Business of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Chemical Business Undertaking, or to the benefit of which Chemical Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) of the Resulting Company. Such properties and rights described hereinabove shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if, it were the Demerged Company, as the Resulting Company is its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts and properties, shall be deemed to have been entered in and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be its substituted party or beneficiary or obligor thereto. In relation to the same any procedural requirements required to be fulfilled solely by the Demerged Company (and not by any of its successors), shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Demerged Company relating to or benefiting at present the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Resulting Company, respectively.
- 4.1.8. Any pending suits/appeals or other proceedings of whatsoever nature relating to the Chemical Business Undertaking of the Demerged Company, whether by or against such Demerged Company, shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of the Chemical Business Undertaking of the Demerged Company into the Resulting Company or of anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue and any prosecution shall be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Demerged Company, as if this Scheme had not been implemented.

- 4.1.9. All the Chemical Business Undertaking employees shall become employees of and be employed / appointed by the Resulting Company pursuant to the vesting order and by operation of law, with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Demerged Company, without any interruption of service as a result of this hiving-off, without any further act, deed or instrument on the part of the Demerged Company or the Resulting Company. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Demerged Company, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of the Demerged Company for such purpose shall be treated as having been continuous.
- 4.1.10. All Chemical Business Undertaking IP including registrations, goodwill, licenses, brands, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks pertaining to the Chemical Business Undertaking of the Demerged Company, if any, shall stand vested in the Resulting Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon filing of the order of the NCLT sanctioning the Scheme, with the Registrar of Companies concerned. Any other intellectual property rights (not specifically covered above) presently held by the Demerged Company, that relates to or benefit at present the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate intellectual property rights and the necessary substitution/ endorsement shall be made and duly recorded in the name of the Demerged Company and the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT.
- 4.1.11. All taxes payable by or refundable to or relatable to the Chemical Business Undertaking of the Demerged Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives including but not limited to benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits (net of provisions there against), MAT credit whether or not recorded in the books, unabsorbed depreciation, unabsorbed business tax losses, credit for service tax, sales tax / value added tax / goods and service tax and / or any other statutes, incentives, if any, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc. as would have been available to Chemical Business Undertaking of the Demerged Company, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.
- 4.1.12. All Chemical Business Undertaking Licenses including approvals, consents, exemptions, Unique Identification Numbers, Legal Entity Identification Number, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), environmental clearances, No Objection Certificates, Consent Orders, approvals, etc., and certificates of every kind and description whatsoever in relation to the Chemical Business Undertaking, or to the benefit of which the Chemical Business Undertaking may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas,

rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of the Resulting Company, and shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Demerged Company, but relate to or benefitting the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the drawn up order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

- 4.1.13. Benefits of any and all corporate approvals as may have already been taken by the Demerged Company with respect to the Chemical Business Undertaking, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 180,185,186,188,etc;of the Act read with the rules and regulations made there under, shall stand vested in the Resulting Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Resulting Company.
- 4.1.14. All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company in relation to the Chemical Business Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand vested in or be deemed to have been vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.
- 4.1.15. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, in the name of the Demerged

Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented or issued for encashment which are in the name of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited / debited to the account of the Resulting Company, if presented or issued by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued by or in the name of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case maybe, continued by or against the Resulting Company after coming into effect of the Scheme.

- 4.1.16. This Part of the Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date, 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(19AA) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

## **5. CONSIDERATION**

- 5.1. Upon the Scheme becoming effective and upon vesting of the Chemical Business Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on Record Date (as may be decided by the Board of Directors of Resulting Company), their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:

*“ 1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re.1 each fully paid up held in the Demerged Company.”*

- 5.2. In the event that the Demerged Company/ the Resulting Company restructures its equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Entitlement Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 5.3. The Resulting Company shall take necessary steps to increase or alter or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.
- 5.4. The shares to be issued and allotted as above shall be subject to the Scheme and in accordance with the Memorandum and Articles of Association of the Resulting Company.
- 5.5. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.



- 5.6. The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Resulting Company.
- 5.7. The issue and allotment of equity shares as provided in Clause 5.1, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, as the case may be, pursuant to the aforesaid Clause 5.1.
- 5.8. The Resulting Company shall to the extent required, increase its authorized share capital to facilitate issue of equity shares under this Scheme. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 and 232 of the Act shall be deemed to be the approval under Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.
- 5.9. The equity shares shall be issued in dematerialized form, to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the Demerged Company and / or its Registrar before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and/or its Registrar before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.
- 5.10. Inter-company holding, if any, as on the Appointed Date, between the Demerged Company and the Resulting Company, shall be cancelled pursuant to this Scheme.
- 5.11. The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government/Regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the Demerged Company pursuant to Clause 5.1 of the Scheme.
- 5.12. The equity shares issued and/or allotted pursuant to Clause 5.1, in respect of such of the equity shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by Resulting Company.
- 5.13. The equity shares to be issued by the Resulting Company to the members of the Demerged Company pursuant to Clause 5.1 of this Scheme will be listed and/or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as applicable) on all the Stock Exchanges on which shares of the Demerged Company are listed on the Effective Date. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Resulting Company for complying with the formalities / requirements of the said Stock Exchanges. The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchanges. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of

approvals received from the Stock Exchanges. The Resulting Company shall not issue/ reissue any other shares under this Scheme, except as expressly stated herein below..

- 5.14. The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals, if any, from or intimate the concerned regulatory authorities, including the Reserve Bank of India, for the issue and allotment of equity shares by the Resulting Company to the non-resident/foreign citizen equity shareholders of the Demerged Company. The Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable the Resulting Company to issue and allot equity shares to the non-resident/foreign citizen equity shareholders of the Demerged Company.
- 5.15. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 42, 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.
- 5.16. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company shall be deemed to have the approval for the purpose of effecting the above amendments under Sections 13, Section 14 and other applicable provisions of the Act and no further resolutions would be required to be separately passed in this regard.

## **6. REDUCTION OF SHARE CAPITAL HELD BY THE DEMERGED COMPANY IN THE RESULTING COMPANY**

- 6.1. Upon the issue of shares by the Resulting Company in accordance with Clause 5.1 above, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment. Accordingly, the share capital of the Resulting Company shall stand reduced to the extent of the face value of shares held by the Demerged Company and its nominees upon the issue of shares by the Resulting Company in accordance with Clause 5.1 above.
- 6.2. The cancellation of share capital shall be effected as an integral part of the Scheme and the Resulting Company shall not be required to add "And Reduced" as suffix to its name consequent to such reduction.

## **7. ACCOUNTING TREATMENT**

The Demerged Company and Resulting Company shall account for the Scheme in their respective books/ financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below

### **7.1. In the Books of the Demerged Company:-**

- 7.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall reduce the book value of all assets, liabilities and reserves pertaining to the Chemical Business Undertaking of Demerged Company from its books of accounts.
- 7.1.2. Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company, if any, relating to the Chemical Business Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 7.1.3. The Demerged Company, as on the Appointed Date, shall transfer the balances of all the reserves (except Capital Redemption Reserve) to the Resulting Company, in the proportion of Net Assets transferred to the Resulting Company and Net Assets retained by the Demerged

Company("Transferred Reserves"). The Transferred Reserves shall consist of the entire balance of Capital Reserve and Cash Flow Hedge Reserve, part or the entire balance of General Reserve as may be required and balance, if any, from Retained Earnings.

- 7.1.4. The Capital Redemption Reserve and part of General Reserve and / or Retained Earnings not forming part of Transferred Reserves pursuant to clause 7.1.3 shall be retained by the Demerged Company.
- 7.1.5. The difference, if any, between the Net Assets and Transferred Reserves (transferred pursuant to clause 7.1.3) pertaining to the Chemical Business Undertaking demerged from Demerged Company pursuant to this Scheme shall be adjusted against the balance in General Reserves or Retained Earnings of the Demerged Company.
- 7.1.6. Investments in the equity share capital of the Resulting Company as on the Appointed Date will stand cancelled and be debited to Retained Earnings.

*For the purpose of this Clause, Net Assets would mean difference between the book value of assets and liabilities as on the Appointed Date.*

## **7.2. In the Books of the Resulting Company:-**

Upon the Scheme becoming effective and with effect from the Appointed Date, GFL 2 shall account for the Chemical Business Undertaking in its books in accordance with "Pooling of Interest Method" of accounting as per Indian Accounting Standard (Ind AS) 103 (Business Combination) prescribed under section 133 of the Companies Act, 2013, which is applicable to GFL 2 since this is a common control business combination. It would inter alia include the following:

- 7.2.1. The Resulting Company shall record the assets and liabilities pertaining to the Chemical Business Undertaking, transferred to and vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Demerged Company;
- 7.2.2. Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Chemical Business Undertaking, if any, will stand cancelled and there shall be no further obligation / outstanding in that behalf;
- 7.2.3. The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the equity shares issued by it to the members of the Demerged Company pursuant to Clause 5.1 of this Scheme; and
- 7.2.4. The identity of the reserves (including Capital Reserve, Cash Flow Hedge Reserve, General Reserve and Retained Earnings, as may be applicable) transferred by GFL 1 to GFL 2 pertaining to the Chemical Business Undertaking of GFL 1 pursuant to clause 7.1.3 above shall be preserved and vested in it and shall appear in the financial statements of GFL 2 in the same form and manner, in which they appeared in the financial statements of GFL 1, prior to Scheme becoming effective.
- 7.2.5. Upon coming into effect of the Scheme, the pre-demerger shareholding of the Demerged Company in the Resulting Company shall be cancelled and the amount of such share capital, as stands cancelled, be credited to Capital Reserve.
- 7.2.6. The difference between the Net Assets transferred from Demerged Company pursuant to Clause 7.2.1 and aggregate of the share capital issued pursuant to Clause 7.2.3, the Transferred Reserves and after giving effect to inter-company balances, if any, as per Clause 7.2.2, shall be adjusted against Capital Reserve transferred from the demerged company in accordance with accounting principles prescribed in Ind AS 103.

*For the purpose of this Clause, Net Assets would mean difference between the book value of assets and liabilities as on the Appointed Date.*

## **8. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

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

- (a) The Demerged Company shall carry on and be deemed to have carried on the business and activities in relation to Chemical Business Undertaking and shall stand possessed of their properties and assets relating to Chemical Business Undertaking for and in trust for the Resulting Company and all the profits/losses accruing on account of the Chemical Business Undertaking shall for all purposes be treated as profits/losses of the Resulting Company.
- (b) The Demerged Company shall not utilize the profits or income, if any, relating to the Chemical Business Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Resulting Company.
- (c) The Demerged Company shall not without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Chemical Business Undertaking or any part thereof except in the ordinary course of its business.
- (d) The Demerged Company shall not vary the existing terms and conditions of service of its permanent employees relating to Chemical Business Undertaking except in the ordinary course of its business or without prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company as the case may be, prior to Effective Date.

8.2. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require pursuant to this Scheme.

## **9. STAFF, WORKMEN & EMPLOYEES**

9.1. All the permanent employees of the Demerged Company engaged in or in relation to the Chemical Business Undertaking of the Demerged Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Resulting Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately preceding the Effective Date.

9.2. Services of the employees of the Demerged Company pertaining to the Chemical Business Undertaking shall be taken into account from the date of their respective appointment with the Demerged Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Demerged Company.

9.3. It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company pertaining to the Chemical Business Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted

for the Demerged Company in respect of the employees transferred with the Chemical Business Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Chemical Business Undertaking of the Demerged Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company or through any committee/person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company.

- 9.4. With effect from the date of filing of this Scheme with NCLT and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Chemical Business Undertaking of the Demerged Company, except with written consent of the Resulting Company.

## **10. LEGAL PROCEEDINGS**

- 10.1. All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date and relating to the Chemical Business Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Any cost pertaining to the said proceedings between the Appointed Date and the Effective date incurred by the Demerged Company shall be reimbursed by the Resulting Company.
- 10.2. After the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the Clause 10.1 above, they shall defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 10.3. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clauses 10.1 or 10.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company.

## **11. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 11.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Chemical Business Undertaking of the Demerged Company, shall continue in full force and effect against or in favor of the Resulting Company and may be enforced effectively by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.
- 11.2. The Resulting Company may, 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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The

Resulting Company shall, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Demerged Company.

**12. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 4.1 above and the continuance of proceedings by or against the Resulting Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in relation to the Chemical Business Undertaking in respect thereto as done and executed on behalf of itself.

**13. PROFITS AND DIVIDENDS**

13.1. The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending March 31, 2019 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the Demerged Company and the Resulting Company.

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

**14. CHANGE OF NAME OF THE DEMERGED COMPANY AND THE RESULTING COMPANY**

Upon sanction of this Scheme, the name of the Demerged Company shall automatically stand changed without any further act, instrument or deed on the part of the Demerged Company, to “**GFL Limited**” or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Demerged Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

Upon sanction of this Scheme, the name of the Resulting Company shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to “**Gujarat Fluorochemicals Limited**” or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Resulting Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

## PART D

### GENERAL TERMS AND CONDITIONS

#### **15. APPLICATION TO NCLT**

The Demerged Company and the Resulting Company shall make Applications/Petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to NCLT for sanction of this Scheme under the provisions of law.

#### **16. MODIFICATION OR AMENDMENTS TO THE SCHEME**

The Demerged Company and the Resulting Company, with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions/ deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters, and things necessary for bringing this Scheme into effect or agree to any terms and/or conditions or limitations that NCLT or any other authorities under law may deem fit to approve of, to direct and/or impose. The aforesaid powers of the Demerged Company and the Resulting Company to give effect to the modification/amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of NCLT or any other authorities under the applicable law.

#### **17. CONDITIONS PRECEDENT**

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

17.1.1. The sanction or approval of the Appropriate Authorities including SEBI, Stock Exchanges in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

17.1.2. Approval of the Scheme by the requisite majority in number and value of such class of persons including the respective members and/or creditors, through e-voting and or any other mode as may be required under any Applicable Law, of the Demerged Company and the Resulting Company as required under the Act and as may be directed by NCLT; and

17.1.3. Certified or authenticated copy of the Order of NCLT sanctioning the Scheme being filed with the respective Registrar of Companies by the Demerged Company and the Resulting Company as may be applicable.

17.2. It is hereby clarified that submission of the Scheme to NCLT and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Demerged Company and the Resulting Company may have under or pursuant to all appropriate and Applicable Law.

17.3. On the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme, related matters and this Scheme itself.

#### **18. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION / WITHDRAWAL OF THE SCHEME**

18.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/or the Scheme not being sanctioned by NCLT or such other competent authority and/ or the Order not being passed as aforesaid before March 31, 2020 or within such further period or periods as may be agreed upon between the Demerged Company and the Resulting Company by

their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

18.2. The Demerged Company and the Resulting Company through their respective Board shall each be at liberty to withdraw from this Scheme (i) in case any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them or (ii) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective companies.

18.3. In the event of revocation/withdrawal under Clauses 18.1 and 18.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged Company and the Resulting 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 Law and in such case, the Demerged Company and the Resulting Company shall bear its own costs, unless otherwise mutually agreed.

#### **19. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any, (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company.

### **SCHEDULE I**

#### **LIST OF IMMOVABLE PROPERTIES OF THE COMPANY**

<b>Sr. no.</b>	<b>Details of Immovable Property</b>	<b>Location</b>	<b>Area</b>
1	Owned Office Building (Land on lease)	Inox Towers, 17, Sector 16-A, Institutional Area, Noida, State Uttar Pradesh	Plot area 43056 sqft Tower A + B - 66870 sqft
2	Owned Office (Land on lease)	612-618, Narain Manzil, 23, Barakhamba Road, New Delhi – 110 003	3798 Sq. ft and four allotted car parking in the building
3	Owned Office (Land on lease)	7 <sup>th</sup> floor, Ceejay House, Dr. Annie Besant Road, Worli, Mumbai 400 018 State Maharashtra	4651 sq feet (super built up area)
4	Office Premises	Survey no 1834 & 1837, ABS Towers, Second Floor, Old Padra Road, Vadodara 390 007, State Gujarat	5405 sqft
5	Office Premises	Survey No 1834 & 1837, ABS Towers, Third Floor, Old Padra Road, Vadodara 390007, State Gujarat	5405 sqft
6	Office Premises	Survey No 1834 & 1837, ABS Towers, Fourth Floor, Old Padra Road, Vadodara 390007, State Gujarat	5405 sqft



7	Other property (Owned)	3, Charotar Society, Old Padra Road, Vadodara 390007, State Gujarat	Plot area 5690 sqft Construction area 5246 sqft
8	Factory Land (Owned)	Survey no 16/3, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	13962 sq. mt
9	Factory Land (Owned)	Survey no 26 & 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	154097 sqmt
10	Factory Land (Owned)	Survey no 25/1 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, , State Gujarat	Hectare Acre 3 -33 Guntha (15415 sqmtr)
11	Factory Land (Owned)	Survey no 25/2 (part) Village Ranjitnagar, Taluka Ghoghamba, District, Panchmahal, State Gujarat	Hectare 0 -99-15 (9915 sqmtr)
12	Factory land (Owned)	Survey no 25/2 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	Hectare 0 -99-15 (9915 sqmtr)
13	Factory land (Owned)	Land bearing Revenue Survey no 71/1 and 72/1 at Village Devpara, Taluka Chotila, District Surenderanagar, State Gujarat	71/1 -2774 sqmt 72/1 – 7714 sqmt.
14	Common Road for use for Land	Land bearing Revenue Survey no 71/1 and 72/1 at Village Devpara, Taluka Chotila, District Surenderanagar, State Gujarat	
15	Factory Land on lease from Gujarat Industrial Development Corporation	Land bearing following located at Dahej Industrial Estate, Taluka Vagra, District Bharuch, State Gujarat	
		1. Industrial Plot no 12-A	410587.78 sqmt
		2. Adjoin plot to Industrial Plot no 12 - A	11750.40sq mt
		3. Industrial Plot no D-2/CH-173	426352.03 sqmt
		4. Industrial Plot no D-2/CH-222	64115.14 sqmt.
		5. Residential Plot no A-49, A 68 and 69	13670.09 sqmt.
		Survey no.135/1, Village Jivapar , Taluka Chotila, MojeJivapar, State Gujarat (Wind Mill no GGM -113)	4 .0 hectare i.e 40,000 sqmt
		Survey No. 15/2 , Village Sakhpar , Taluka Chotila, MojeSakhpar, State Gujarat (Wind Mill no GGM 21 )	2.00 hectare i.e. 20,000 sq. mt.
		Survey no.40, Survey No.80/6(part), Survey no.84, Survey No.92, Village Tajpar , TaluklaChotila, MojeTajpar, State Gujarat (Wind Mill no GGM-129)	3.0 hectare 1.0 hectare 1.0 hectare 1.0 hectare Aggregating to 6.00 hectare i.e.60,000 sqmt.

		Survey No.134/2 (part), Village Jivapar, Taluka Chotila, MojeJivapar (Anandpar) State Gujarat (Wind Mill no GGM –114 & 116 )	4.00 hectare i.e 40,000 sqmt..
		Survey No.24/1, Village Sakhpur, Taluka Chotila, MojeSakhpar State Gujarat (Wind Mill no GGM -23 & 24)	2.00 hectare i.e 20,000 sqmt..
		Survey No.101/3, Survey No 101/4, Village Goida, Taluka Chotila, MojeGoida State Gujarat (Wind Mill no GGM – 106,107, 108)	2.0 hectare 1.0 hectre Aggregating to 3.00 hectare i.e. 30,000 sqmt.
		Survey No.405/45 (part), Survey No 270, Survey No.405/11 (part), Village Dhokadva, Taluka Chotila, MojeDhokadva,State Gujarat (Wind Mill no GGM – 134,135,136,137,138,139)	3.0 hectare 3.0 hectare 2.0 hectare Aggregating to 8.00 heactare i.e 80,000 sq. mt.
		Survey No.60/10 (part), Taluka Chotila, Village Anandpar-BhadlaMojeAnandpar – Bhadla ,State Gujarat (Wind Mill no GGM – 89,90,91,92,93,94,,96,97,98)	10.00 hectare i.e. 100,000 sqmt.

### Strictly Private and Confidential

To  
**The Board of Directors**  
**Gujarat Fluorochemicals Limited**  
Survey No 16/3, 26 27 Ranjitnagar  
Ghoghamba Taluka, Panchmahal  
Gujarat – 389 380

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Walker Chandiook & Co LLP  
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SB Marg, Elphinstone (W)  
Mumbai - 400 013  
Maharashtra, India

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Date: 13 November 2018

### Sub: Recommendation of fair Share Entitlement Ratio for the proposed demerger of Chemical Business Undertaking of Gujarat Fluorochemicals Limited into Proposed NewCo.

Dear Sir / Madam,

We refer to our Engagement Letter dated 13 November 2018 whereby the Management of Gujarat Fluorochemicals Limited ("GFL" or the "Company") has requested Walker Chandiook & Co LLP ("WCC" or the "firm") for a valuation report recommending the Share Entitlement Ratio for the proposed group restructuring of GFL under a Scheme of Arrangement pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 ("Scheme" or "Scheme of Amalgamation"). The appointed date for the Scheme shall be 1 April 2019.

WCC has been hereafter referred to as 'Valuer' or 'we' in this Share Entitlement Ratio Report ('Report').

### CONTEXT AND PURPOSE

#### Gujarat Fluorochemicals Limited

GFL, is a part of the INOX Group, which is diversified across the industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, renewable energy and entertainment sectors. GFL is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, the Company is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses.

GFL along with its subsidiaries operates in the chemicals business along verticals such as refrigerant gases, fluoropolymers, commodity chemicals and speciality fluorochemicals. It is engaged in manufacturing of chloromethanes, refrigerants and Polytetrafluoroethylene in India and caters to clients across the globe.



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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2035 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

## Gujarat Fluorochemicals Limited

GFL is listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The registered office of GFL is situated at Survey No 16/3 26 27 Ranjitnagar , Ghoghamba Taluka, Panchmahal Gujarat - 389380 India

The issued and subscribed equity share capital of GFL as on 30 September 2018 was INR 109.8 million consisting of 10,98,50,000 equity shares of face value of INR 1 each. The shareholding pattern as on 30 September 2018 is as follows:

Sr. No.	Shareholder	Percentage
1	Promoter and Promoter Group	68.3%
2	Public	31.7%
	<b>Total</b>	<b>100.0%</b>

## Gujarat Fluorochemicals America LLC USA

Gujarat Fluorochemicals America LLC USA ("GFL USA") is a wholly owned subsidiary of GFL. GFL USA operates in the US market and is primarily engaged in the manufacture, trading and sale of Post Treated PTFE Compounds.

The issued and subscribed equity share capital of GFL USA as on 31 March 2018 was INR 101.2 million.

## Gujarat Fluorochemicals Singapore Pte Limited

Gujarat Fluorochemicals Singapore Pte Limited ("GFL Singapore") is a wholly owned subsidiary of GFL. GFL Singapore has been set up for the purpose of carrying out investment activities.

The issued and subscribed equity share capital of GFL Singapore as on 31 March 2018 was INR 555.3 million consisting of 90,91,000 equity shares of the face value of USD 1 each.

## Gujarat Fluorochemicals GmbH

Gujarat Fluorochemicals GmbH ("GFL Germany") is a wholly owned subsidiary of GFL. GFL Germany operates in the European markets and is primarily engaged in trading of polymer compounds especially, post-treated PTFE.

The issued and subscribed equity share capital of GFL Germany as on 31 March 2018 was INR 2.2 million

## GFL GM Fluorspar SA

GFL GM Fluorspar SA ("GFL GM") is a joint venture company established for the purpose of mining of fluorspar in Morocco. GFL GM is venture between GFL Singapore and Global Mines SARL.



## Gujarat Fluorochemicals Limited

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GFL Singapore holds 1,39,231 equity shares aggregating 74% stake in GFL GM and the balance 48,919 equity shares are held by Global Mines SARL, Morocco as on 31 March 2018.

The issued and subscribed equity share capital of GFL GM as on 31 March 2018 was INR 1350.0 million consisting of 1,88,150 equity shares of the face value of MAD 100 each.

## Chemical Business Undertaking

Chemical Business Undertaking comprises, business, activities and operations pertaining to business of chemicals of GFL, together with the equity shares held by GFL in GFL USA, GFL Singapore, GFL Germany and GFL GM.

## Proposed Demerger

We understand that the Management of GFL (the "Management") is contemplating a group restructuring/ realignment exercise wherein it is proposed that Chemical Business Undertaking of GFL as explained in the aforesaid paragraph will be demerged into a Proposed NewCo, to be incorporated as a subsidiary of GFL ("Proposed Demerger").

In this connection, Walker Chandiook & Co LLP has been requested by the Management to submit a report recommending the ratio of entitlement of equity shares of Proposed NewCo to the shareholders of GFL in connection with the Proposed Demerger for the consideration of the Board of GFL.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

## SOURCES OF INFORMATION

In connection with this exercise, we have considered during our analysis the following information received from the Management and/or gathered from public domain:

1. Shareholding Pattern of GFL as on 30 September 2018.
2. Shareholding Pattern of GFL USA, GFL Singapore, GFL Germany and GFL GM as on 31 March 2018;
3. Financial statement of GFL for the year ended 31 March 2018;
4. Draft Scheme of Arrangement received by us on 12 November 2018;
5. Correspondence with the Management including Management Representation Letter;
6. In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of our analysis.

The Company has been provided with the opportunity to review the draft Report (excluding the recommended Share Entitlement Ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.



## Gujarat Fluorochemicals Limited

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Management has informed us that Keynote Corporate Services Limited have been appointed by GFL, to provide fairness opinion on the Share Entitlement Ratio for the purpose of the aforementioned Proposed Demerger. Further, at the request of the Management, we have had discussions with fairness opinion providers appointed by GFL on the valuation approach.

### SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

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

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than date of the Report.

Our scope is limited to expression of our view on the proposed Share Entitlement Ratio and its impact on the economic interest of the shareholders of GFL and the resulting company. The Report should not be construed as, our opinion or certifying the compliance of the proposed restructuring with the provisions of any law including the Companies Act 1956, Companies Act 2013, FEMA, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Demerger.

This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular, and the information made available to us as of the Valuation Date. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation rendered in this Report only represents our recommendation based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio at which the Proposed Demerger shall take place will be with the Board of Directors of GFL who should take into account other factors such as their own assessment of the Proposed Demerger and input of other advisors.



## Gujarat Fluorochemicals Limited

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In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. In accordance with the terms of our engagement, we have assumed and relied upon, (i) the accuracy of the information that was publicly available and (ii) the accuracy of information made available to us by the Company. As per our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not independently investigated the data provided by the Company. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from GFL, we have been given to understand by GFL that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of GFL. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for technical information furnished by GFL.

Accordingly, we assume no responsibility for any errors in the information furnished by the Management or obtained from public domain and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.

The Management has represented that the business activities have been carried out in the normal and ordinary course as on the Valuation Date for GFL and Chemical Business Undertaking and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.

The Report assumes that GFL, its subsidiaries and JVs comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that all the companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of GFL, its subsidiaries and JVs. Our conclusion of value assumes that the assets and liabilities of GFL, its subsidiaries and JVs, reflected in their respective latest balance sheets remain intact as of the Valuation Date.

This Report does not look into the business/ commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are available.

No investigation / inspection of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.



## Gujarat Fluorochemicals Limited

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The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of GFL who have appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to GFL. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of GFL, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Entitlement Ratio. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

The Report should be used in connection with the Scheme.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the proposed scheme of arrangement, without our prior written consent except for disclosures to be made to relevant regulatory authorities including stock Exchanges, SEBI and National Company Law Tribunal.

This Report does not in any manner address the prices at which equity shares will trade following announcement of the Proposed Demerger and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Demerger.

### **APPROACH - SHARE ENTITLEMENT RATIO FOR PROPOSED DEMERGER**

As per the proposed scheme of arrangement, in consideration of the transfer and vesting of Chemical Business Undertaking of GFL into Proposed NewCo, the Proposed NewCo shall issue & allot equity shares to the equity shareholders of GFL based on the ratio of allotment of shares.

Upon the issue of shares by the Proposed NewCo, the entire existing share capital of the Proposed NewCo held by GFL as on the Effective Date shall stand cancelled without any payment. Accordingly, the share capital of the Proposed NewCo shall stand reduced to the extent of the face value of shares held by GFL upon the issue of shares by the Proposed NewCo.

We understand that, as part of the Scheme, the Chemical Business Undertaking of GFL is proposed to be demerged into Proposed NewCo. Once the Scheme is implemented, all the shareholders of GFL would also become shareholders in the Proposed NewCo, and their shareholding in Proposed NewCo would mirror their shareholding in GFL.





## Gujarat Fluorochemicals Limited

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We further understand that as an effect of demerger, each shareholder of GFL would become owner of shares in two companies instead of one. Post Demerger, the percentage holding of a shareholder in GFL would remain unchanged from the proportion of capital held by such shareholder in GFL.

The management of GFL has further indicated that the shareholding of Proposed NewCo pursuant to the Proposed Demerger of Chemical Business Undertaking into Proposed NewCo would be, effectively, same as the shareholding of GFL (pre-demerger) as the new shares of Proposed NewCo would be issued to the shareholders of GFL in proportion to their shareholding in GFL (pre-demerger). Thus, we understand that the interest of the shareholders in GFL will effectively remain unchanged and therefore from that perspective shareholders interest would not be prejudicially affected. The Scheme does not envisage dilution of the holding of any one or more of shareholders as a result of operation of the Scheme.

### **RECOMMENDATION OF RATIO OF ENTITLEMENT OF EQUITY SHARES FOR THE PROPOSED DEMERGER**

On the basis of the foregoing, any share entitlement ratio can be considered for the above demerger as the proportionate shareholding of any shareholder would not vary. Considering the desired capital structure of Proposed NewCo, the Management has proposed a share entitlement ratio of 1 (One) fully paid equity share of Proposed NewCo of face value of INR 1 each, in exchange of, every 1 (One) fully paid equity share of GFL of face value of INR 1 (One) each in the event of Demerger of Chemical Business Undertaking of GFL into Proposed NewCo.

As proposed by the Management and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, the share entitlement ratio in the event of Demerger of Chemical Business Undertaking of GFL into Proposed NewCo is proposed as follows:

1 (One) fully paid equity share of face value of INR 1 (Rupee One) each of Proposed NewCo for every 1 (One) fully paid equity share of face value of INR 1 (Rupee one) each held in GFL.

We believe that the above share entitlement ratio is fair and reasonable considering that all the shareholders of GFL will upon demerger, be the ultimate beneficial owners of Proposed NewCo in the same ratio (inter se) as they hold shares in GFL, as on the record date.

Yours faithfully,

For **Walker Chandiook & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/ N500013



**Sudhir N. Pillai**

Partner

Membership No: 105782

# Walker Chandiook & Co LLP

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**Strictly Private and Confidential**

To  
**The Board of Directors**  
**Gujarat Fluorochemicals Limited**  
Survey No 16/3, 26 27 Ranjitnagar  
Ghoghamba Taluka, Panchmahal  
Gujarat – 389 380

To  
**The Board of Directors**  
**INOX Fluorochemicals Limited**  
2nd Floor, ABS Towers,  
Old Padra Road, Vadodara  
Gujarat - 390007

Date: 11 December 2018

**Sub: Recommendation of fair Share Entitlement Ratio for the proposed demerger of Chemical Business Undertaking of Gujarat Fluorochemicals Limited into Proposed NewCo.**

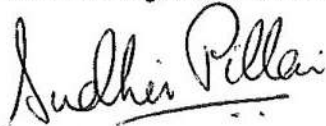
Dear Sir,

This refers to the valuation report dated 13 November, 2018 for the proposed demerger of the Chemical Business Undertaking of GFL into Proposed NewCo. (the "Report") issued by Walker Chandiook & Co LLP ("We" or "WCC").

We are informed based on your email dated 11 December 2018, that the Proposed NewCo. referred in the Report has been incorporated on 6 December 2018 as INOX Fluorochemicals Limited. Accordingly, we confirm that the Report can be used for proposed Scheme of Arrangement by INOX Fluorochemicals Limited.

Please note that all the terms & conditions and caveats as mentioned in the Engagement Letter and Report are applicable to INOX Fluorochemicals Limited.

Yours faithfully,  
For **Walker Chandiook & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No: 001076N/ N500013



**Sudhir N. Pillai**  
Partner  
Membership No: 105782

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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Walker Chandiook & Co LLP is registered with limited liability with Identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

*Private and Confidential*  
**KEYNOTE**

25  
— YEARS —  
OF CREATING  
**VALUE**  
THROUGH  
RELATIONSHIPS  
AND  
**TRUST**

13<sup>th</sup> November 2018

**The Board of Directors,**

**Gujarat Fluorochemicals Limited**  
Survey Number 16/3, 26 and 27,  
Village Ranjitnagar 389380,  
Taluka Ghoghamba,  
District Panchmahal, Gujarat

Dear Sir,

**Reg: Fairness Opinion in connection with the proposed demerger of Chemical Business Undertaking of Gujarat Fluorochemicals Limited ("GFL") into a proposed new company ("Resulting Company")**

Keynote Corporate Services Limited ("Keynote" or "we" or "us") is a Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We understand that the Board of Directors of Gujarat Fluorochemicals Limited is contemplating a Scheme of Arrangement ("Scheme") for the demerger of its Chemical Business Undertaking into its wholly-owned subsidiary (hereinafter referred to as "Resulting Company") pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In connection with the aforesaid, we have been requested by the Board of Directors of GFL to issue a Fairness Opinion as of the date hereof, as to the fairness of the Share Allotment/ Entitlement Ratio to the Equity Shareholders of GFL. We have perused the documents/ information provided by you in respect of the Scheme and the Valuation Report as issued by Walker Chandiok & Co LLP ("WCC") dated 13<sup>th</sup> November 2018 and state as follows:

**Company Profile:**

Gujarat Fluorochemicals Limited (GFL), a subsidiary of Inox Leasing and Finance Limited, and incorporated in 1987, has evolved as a producer of chloromethanes, refrigerants and Polytetrafluoroethylene (PTFE) in India. The Company is a part of the Inox Group, which is diversified across the industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, renewable energy and entertainment sectors. GFL primarily supplied CFC and HCFC to more than 75 countries globally. As CFCs were eventually phased out under the Montreal Protocol, in 2007 the Company forward integrated into PTFE (Poly Tetra Fluoro Ethylene) by commissioning a technologically advanced PTFE facility in Dahej, Gujarat. Shares of GFL are listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE").

GFL also carries on other business through its subsidiaries in India:

1. **Inox Leisure Limited ("ILL"):** National multiplex chain operator, with 509 screens in 127 properties across 64 cities in India, with a total capacity of 1,24,941 seats. Shares of ILL are listed on BSE and NSE.



Page 1 of 4

**Keynote Corporate Services Limited**

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Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407

2. **Inox Wind Limited (“IWL”)**: Wind turbine manufacturer with a wind turbine manufacturing capacity of 1,600 MW and a cumulative installed base of 2.4 GW. Shares of IWL are also listed on BSE and NSE.
3. **Inox Renewables Limited (“IRL”)**: Wind farming business, Inox Renewables Limited operates wind farms with a total capacity of 31 MW. IRL is a 100% subsidiary of GFL.

**Rationale of the Scheme:**

GFL is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL are distinct and diverse in its business characteristics with different risk and return profiles & capital and operational requirements. The management of GFL believes that the scheme will provide better flexibility to investors to select investments which best suit their investment strategies and risk profile for each of the businesses of GFL. It will also result in economies in business operations; provide optimal utilization of resources and greater administrative efficiencies

In consideration of the demerger of the Chemical Business Undertaking of GFL into the Resulting Company, for every 1 (one) fully paid equity shares of face value of Re. 1/- each held by the shareholders of GFL, 1 (one) fully paid equity share of face value of Re. 1/- each of the Resulting Company shall be issued and allotted (referred to as the “Share Allotment / Entitlement Ratio”).

**Sources of Information:**

For arriving at the Fairness Opinion set forth below, we have relied upon the following sources of information:

- Valuation Report by Walker Chandiok & Co LLP dated 13<sup>th</sup> November 2018;
- Draft Scheme of Arrangement between GFL and Resulting Company and their Respective Shareholders;
- Annual reports for FY 2016-2017 and 2017-2018 of Gujarat Fluorochemicals Limited.

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis.

**Our Recommendation:**

As stated in the Valuation Report by Walker Chandiok & Co LLP, they have recommended the following:

**“1(one) fully paid equity share of Re.1 (Rupees one) each of the Resulting Company for every 1 (one) fully paid equity share of Re.1 (Rupees one) each held in GFL”**

The aforesaid demerger shall be pursuant to the Scheme of Arrangement and shall be subject to receipt of approval from the National Company Law Tribunal or such other competent authority as may be



applicable and other statutory approvals as may be required. The detailed terms and conditions of the demerger are more fully set forth in the Draft Scheme of Arrangement. Keynote has issued the Fairness Opinion with the understanding that Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

**Based on the information, data made available to us, including the Share Allotment Ratio Report, to the best of our knowledge and belief, the Share Allotment/ Entitlement Ratio as recommended by Walker Chandiook & Co LLP in relation to the proposed Draft Scheme of Arrangement is Fair to the equity shareholders of Gujarat Fluorochemicals Limited in our opinion.**

**Exclusions and Limitations:**

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by GFL for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of GFL. We have solely relied upon the information provided to us by GFL. We have not reviewed any books or records of GFL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of GFL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of GFL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by GFL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on this opinion. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of GFL with respect to these matters. In addition, we have assumed that the Draft Scheme of Arrangement will be approved by the regulatory authorities and that the proposed Transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Arrangement.

We understand that the management of GFL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the Transaction that GFL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving GFL or any of its assets, nor did we negotiate with any other party in this regard.



**Keynote Corporate Services Limited**

We have acted as a financial advisor to GFL for providing a Fairness Opinion and will receive a fee for our services.


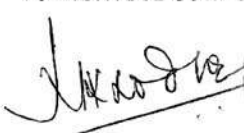
In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may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

The Fairness Opinion is addressed only to the Board of Directors of GFL and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of GFL and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/ or creditors of the Company. The Fairness Opinion should be read in totality and not in parts. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Keynote's prior written consent. If this Fairness Opinion is used by any person other than whom it is addressed or for any purpose other than the purpose state hereinabove, then we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to GFL's underlying decision to effect to the proposed Transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of GFL should vote at their respective meetings, if any, held in connection with the Transaction. We do not express and should not be deemed to have expressed any views on any other terms of Transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of GFL will trade following the announcement of the Transaction or as to the financial performance of GFL following the consummation of the Transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, GFL and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**



**Nipun Lodha**

*Exec. Vice President and Head Corporate Finance*

**Keynote Corporate Services Limited**

# KEYNOTE

To  
The Board of Directors,  
Gujarat Fluorochemicals Limited,  
Survey Number 16/3, 26 and 27,  
Village Ranjitnagar 389380,  
Taluka Ghoghamba,  
District Panchmahal, Gujarat

To  
The Board of Directors,  
INOX Fluorochemicals Limited,  
Survey Number 16/3, 26 and 27,  
Village Ranjitnagar 389380,  
Taluka Ghoghamba,  
District Panchmahal, Gujarat

Date: 11 December, 2018

**Reg:** Recommendation of fair Share Entitlement Ratio for the propose demerger of chemical business undertaking of Gujarat Fluorochemicals Limited ("GFL") into Proposed NewCo.

Dear Sir,

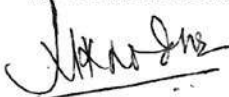
This refers to the Fairness Opinion dated 13 November, 2018 for the proposed demerger of the Chemical Business Undertaking of GFL into Proposed NewCo. ("Fairness Opinion") issued by Keynote Corporate Services Limited ("We" or "KCSL").

We are informed based on your email dated 11 December 2018, that the Proposed NewCo. referred to in the Fairness Opinion has been incorporated on 6 December, 2018 as INOX Fluorochemicals Limited. Accordingly we confirm that the Fairness Opinion can be used for proposed scheme of Arrangement by INOX Fluorochemicals Limited.

Please note that all the terms of the Engagement Letter Dated 13 November, 2018 and the clauses mentioned in the Fairness Opinion remain same and are applicable to INOX Fluorochemicals Limited.

Yours sincerely,

For KEYNOTE CORPORATE SERVICES LTD



**Nipun Lodha**

*Exec. Vice President and Head Corporate Finance*

DCS/AMAL/SV/R37/1407/2018-19

February 15, 2019

The Company Secretary,  
**Gujarat Fluorochemicals Ltd.**  
 Survey No 16/3, 26 & 27, Ranjitnagar,  
 Taluka Ghoghamba, Panchmahal, Gujarat, 389380

Dear Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement between Gujarat Fluorochemicals Limited and Inox Fluorochemicals Limited and their respective shareholders and creditors**

We are in receipt of Draft Scheme of Arrangement between Gujarat Fluorochemicals Limited and Inox Fluorochemicals Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated February 15, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

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

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

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Inox Fluorochemicals Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Inox Fluorochemicals Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.



The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Inox Fluorochemicals Limited is at the discretion of the Exchange. In addition to the above, the listing of Inox Fluorochemicals Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Inox Fluorochemicals Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information of Inox Fluorochemicals Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Inox Fluorochemicals Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
  - i. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - ii. "There shall be no change in the shareholding pattern of Inox Fluorochemicals Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

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

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

Yours faithfully,



**Nitinkumar Pujari**  
Senior Manager



**Sabah Vaze**  
Associate Manager



## National Stock Exchange Of India Limited

Ref: NSE/LIST/19503

February 18, 2019

The Company Secretary  
Gujarat Fluorochemicals Limited  
Survey No. 16/3, 26, 27,  
Ranjit Nagar 389 380,  
Ghoghamba Taluka  
Gujarat - 389380

**Kind Attn.: Mr. Bhavin V. Desai**

Dear Sir,

**Sub: Observation Letter for Scheme of Arrangement between Gujarat Fluorochemicals Limited and Inox Fluorochemicals Limited and their respective shareholders.**

We are in receipt of the Scheme of Arrangement between Gujarat Fluorochemicals Limited ('Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective shareholders vide application dated December 19, 2018.

Based on our letter reference no Ref: NSE/LIST/72368 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated February 15, 2019, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circular.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *The Company shall ensure that the applicable information pertaining to unlisted companies – Inox Fluorochemicals Limited is included in abridged prospectus as per specified format.*
- e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

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

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

The validity of this “Observation Letter” shall be six months from February 18, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,  
For **National Stock Exchange of India Limited**

Rajendra Bhosale  
Manager

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



GUJARAT  
FLUORO-CHEMICALS  
LIMITED



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ABS Towers, 2nd Floor, Old Padra Road, Vadodara - 390 607, Gujarat, India  
CIN : L24119 GJ1987 PLC009382 • Email : contact@gfl.co.in • Web: www.gfl.co.in

Date: 15/01/2019

To  
Listing Department  
Department of Corporate Services  
BSE Limited  
P.J. Towers Dalal Street  
Mumbai – 400001  
BSE script code: 500173

**Sub:** Submission of Complaints Report as per Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"]

**Ref:** Application no. 88619 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL1") and Inox Fluorochemicals Limited ("the Resulting Company" or "GFL2") and their respective shareholders ("the Scheme").

**Dear Sirs,**

In regards to our captioned application number filed under Regulation 37, please find enclosed herewith the Complaints Report, in the prescribed format for your perusal.

Request you to kindly take the same on your records.

**For Gujarat Fluorochemicals Limited**

*Bm*

Bhavin Desai  
Company Secretary



Tel.: +91 265 81 88111  
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GUJARAT  
FLUORO CHEMICALS  
LIMITED

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CIN : L24118 GJ1987 PLC009362 • Email : contact@gfi.co.in • Web: www.gfi.co.in



### Complaints Report

#### Part A

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

#### Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For Gujarat Fluorochemicals Limited

*B. Desai*

Bhavin Desai  
Company Secretary



Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153  
Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610  
Mumbai Office : 68, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, Tel. : +91 (22) 22026314, Fax : +91 (22) 22025588

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CIN : L24118 GJ1987 PLC089362 • Email : contact@gfl.co.in • Web: www.gfl.co.in

Date: 31/01/2019

To,  
Manager – Listing – Compliance Department  
National Stock Exchange of India Limited (NSE)  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400051.  
NSE Symbol: GUJFLUORO

**Sub:** Submission of Complaints Report as per Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"]

**Ref:** Application no. 19503 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL1") and Inox Fluorochemicals Limited ("the Resulting Company" or "GFL2") and their respective shareholders ("the Scheme").

Dear Sirs,

In regards to our captioned application number filed under Regulation 37, please find enclosed herewith the Complaints Report for the period from 9<sup>th</sup> January, 2019 to 30<sup>th</sup> January, 2019, in the prescribed format for your perusal.

Request you to kindly take the same on your records.

For Gujarat Fluorochemicals Limited

*BDM*

Bhavin Desai

Company Secretary



Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153  
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GUJARAT  
FLUORO CHEMICALS  
LIMITED



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CIN : L24110 GJ1987 PLC009362 • Email : contact@gfl.co.in • Web: www.gfl.co.in

**Complaints Report for the period from 9<sup>th</sup> January, 2019 to 30<sup>th</sup> January, 2019**

**Part A**

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

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For Gujarat Fluorochemicals Limited

  
Bhavin Desai  
Company Secretary



Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153  
Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610  
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CIN : L24110 GJ1987 PLC809362 • Email : contact@gfl.co.in • Web: www.gfl.co.in

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GUJARAT FLUORO CHEMICALS LIMITED AT ITS MEETING HELD ON FEBRUARY 13, 2019 AT INOX TOWERS, 17, SECTOR 16A, NOIDA 201301 EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS**

The Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL 1") and Inox Fluorochemicals Limited ("the Resulting Company" or "GFL 2") and their respective shareholders ("the Scheme") under Section 230-232 and other applicable provisions of the Companies Act, 2013 was approved by the Board of Directors vide its board resolutions dated 14<sup>th</sup> November, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange/entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provision, following was discussed by the Board of Directors:

1. Based on the Share Entitlement Report dated 13<sup>th</sup> November, 2018 obtained from M/s Walker Chandio & Co. LLP, the Scheme provides the following share entitlement ratio:

***On demerger of the demerged undertaking from the Demerged Company into the Resulting Company***

*"1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re. 1 each fully paid up and held in the Demerged Company"*

2. No special valuation difficulties were reported by M/s Walker Chandio & Co. LLP, in their aforesaid Report.
3. Fairness opinion was obtained from Keynote Capital Services Limited, a Category I Merchant Banker, wherein they opined that the proposed Scheme is fair and reasonable.
4. The promoter and public shareholding of the Company will not be diluted post Scheme and shall remain 68.33% and 31.67% respectively. All inter-company holdings shall stand cancelled, without any further act or deed, upon this Scheme becoming effective.

Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153  
Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, IP. Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610  
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GUJARAT  
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ABS Towers, 2nd Floor, Old Padra Road, Vadodra - 390 007, Gujarat, India  
CIN : L24118 GJ1897 P1C008302 • Email : contact@gfl.co.in • Web : www.gfl.co.in

5. As stated in the Scheme, upon the issue of shares by the Resulting Company in accordance with the Scheme, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment.
6. As stated in the Scheme, upon sanction of this Scheme, the name of the Demerged Company shall automatically stand changed without any further act, instrument or deed on the part of the Demerged Company, to "GFL Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Demerged Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
7. As stated in the Scheme, upon sanction of this Scheme, the name of the Resulting Company shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to "Gujarat Fluorochemicals Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Resulting Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
8. As stated in the Scheme, all the permanent staff, workmen and employees of the Demerged Company engaged in or in relation to the Chemical business undertaking who are in service as on the Effective Date shall become staff, workmen and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment shall not be less favorable than those applicable to them with reference to their employment with the respective transferor companies as on the Effective Date.

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Mumbai Office : 68, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, Tel. : +91 (22) 22026314, Fax : +91 (22) 22025588



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CIN : L24110 GJ1987 PLC009382 • Email : contact@gfl.co.in • Web: www.gfl.co.in

9. The new equity shares of the Resulting Company to be issued to shareholders of GFL 1 will be listed for trading on the stock exchanges where the existing shares of the Demerged Company are listed.
10. Under the Scheme, there is no arrangement with the creditors of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability to the creditors of the Company, under the Scheme, is neither reduced nor being extinguished.
11. The Scheme would not have any effect on Key Managerial Personnel of the Company.
12. There will be no adverse effect of the said Scheme on the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, creditors, employees and other stakeholders of the Company.

For GUJARAT FLUOROCHEMICALS LIMITED

*B. Desai*

**Bhavin Desai**  
**Company Secretary**

Regd. Office : Survey No. 16/3,26,27, Ranjitsagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Teletax : +91 (2678) 248153  
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# INOX Fluorochemicals Limited

ABS Towers, 2<sup>nd</sup> Floor, Old Padra Road, Vadodara 390 007  
Telephone: +91 (265) 6198111 Fax : +91 (265) 2310 312

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF INOX FLUORO-CHEMICALS LIMITED AT ITS MEETING HELD ON WEDNESDAY, 12TH DECEMBER, 2018 AT THE CORPORATE OFFICE OF THE COMPANY EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS.**

The Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL 1") and INOX Fluorochemicals Limited ("the Resulting Company" or "GFL 2") and their respective shareholders ("the Scheme") under Section 230-232 and other applicable provisions of the Companies Act, 2013 was approved by the Board of Directors vide its board resolutions dated 12<sup>th</sup> December, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange/entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provision, following was discussed by the Board of Directors:

1. Based on the Share Entitlement Report dated 13<sup>th</sup> November, 2018 obtained from M/s Walker Chandiook & Co. LLP and their letter in this regard dated 11<sup>th</sup> December, 2018, the Scheme provides the following share entitlement ratio:

***On demerger of the demerged undertaking from the Demerged Company into the Resulting Company***

*"1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re. 1 each fully paid up and held in the Demerged Company"*

2. No special valuation difficulties were reported by M/s Walker Chandiook & Co. LLP, in their aforesaid Report.
3. Fairness opinion was obtained from Keynote Capital Services Limited, a Category I Merchant Banker, wherein they opined that the proposed Scheme is fair and reasonable.

*Registered office: Survey No 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal  
Telephone: +91 (2678) 248153 Fax: +91 (2678) 248153  
CIN: U24304GJ2018PLC105479*



# INOX Fluorochemicals Limited

ABS Towers, 2<sup>nd</sup> Floor, Old Padra Road, Vadodara 390 007  
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4. The promoter and public shareholding of the Company, post the Scheme will be 68.33% and 31.67% respectively. All inter-company holdings shall stand cancelled, without any further act or deed, upon this Scheme becoming effective.
5. As stated in the Scheme, upon the issue of shares by the Resulting Company in accordance with the Scheme, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment.
6. As stated in the Scheme, upon sanction of this Scheme, the name of the Demerged Company shall automatically stand changed without any further act, instrument or deed on the part of the Demerged Company, to "GFL Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Demerged Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
7. As stated in the Scheme, upon sanction of this Scheme, the name of the Resulting Company shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to "Gujarat Fluorochemicals Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Resulting Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
8. As stated in the Scheme, all the permanent staff, workmen and employees of the Demerged Company engaged in or in relation to the Chemical business undertaking who are in service as on the Effective Date shall become staff, workmen and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment shall not be less favorable than those applicable to

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them with reference to their employment with the respective transferor companies as on the Effective Date.

9. The new equity shares of the Resulting Company to be issued to shareholders of GFL 1 will be listed for trading on the stock exchanges where the existing shares of the Demerged Company are listed.
10. Under the Scheme, there is no arrangement with the creditors of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability to the creditors of the Company, under the Scheme, is neither reduced nor being extinguished.
11. The Scheme would not have any effect on Key Managerial Personnel of the Company.
12. There will be no adverse effect of the said Scheme on the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, creditors, employees and other stakeholders of the Company.

**For Inox Fluorochemicals Limited**

A handwritten signature in black ink, appearing to read "D. K. Sachdeva".

Dinesh Kumar Sachdeva  
Director

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## Annexure - 9

### APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS (AS PROVIDED IN PART E OF SCHEDULE VI OF THE ICDR REGULATIONS, 2018)

This Document contains information pertaining to unlisted entity involved in the proposed Scheme of Arrangement among Gujarat Fluorochemicals Limited 1 ('GFL1' or 'Demerged Company') and Inox Fluorochemicals Limited ('GFL2' or 'Resulting Company') and their respective shareholders and creditors in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

<b>Inox Fluorochemicals Limited</b> <b>Registered Office:</b> Survey Number 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba District Panchmahal, Gujarat 389380 <b>Corporate Office:</b> Inox Towers, 17 Sector 16 A, Noida - 201301, Uttar Pradesh <b>Telephone:</b> +91 2678 248153; <b>Fax:</b> +91 2678 248153; <b>Email:</b> <a href="mailto:bvdesai@gfl.co.in">bvdesai@gfl.co.in</a> ; <b>Website:</b> <a href="http://www.gfl.co.in">www.gfl.co.in</a> <b>CIN:</b> U24304GJ2018PLC105479 <b>Contact Person:</b> Bhavin Desai		
<b>PROMOTER</b>		
Inox Leasing and Finance Limited		
<b>DETAILS OF THE SCHEME OF ARRANGEMENT</b>		
The Scheme of Arrangement provides for demerger of Chemical Business Undertaking from GFL 1 into GFL 2 under provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and matters consequential, supplemental and/or otherwise integrally connected therewith. As a consideration for demerger, equity shares would be issued by GFL 2 to the shareholders of GFL1 and existing share capital of GFL 2 (held by GFL 1 and its nominees) would be cancelled.		
<b>STATUTORY AUDITORS</b>		
Patankar & Associates, Chartered Accountants <b>Address:</b> Office No. 19-23, 4th Floor, Gotd Wings, S.No. '1'18A, Plot No. 543, Parvati Nagar, Sinhgad Road, Pune Phone: 020 – 24252117		
<b>INDEX CONTENT</b>		
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## PROMOTERS OF GFL 1 & GFL 2

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Current Promoter of GFL 2 is GFL 1. Upon implementation of Scheme of Arrangement and approvals from the regulatory authorities, the Promoters of GFL 2 shall be Inox Leasing and Finance Limited. Details of the promoter and promoter group entities are given below:

1. **Inox Leasing and Finance Limited (ILFL)** was incorporated on February 17, 1995, carrying out business as a finance company including financing industrial, commercial and business operations by means of loans, leasing, hiring and hire purchases, dealing in shares and securities, having Mr. Devendra Kumar Jain, Mr. Pavan Kumar Jain, Mr. Vivek Jain, Mr. Siddharth Jain and Mr. Devansh Jain as its Board of Directors.

The Company is not listed on any stock exchange and has registered office at 69 Jolly Maker Chambers II, Nariman Point, Mumbai 400 021

### **List of top 5 largest listed / unlisted group companies of GFL 2 as per Item (13) (B) of Part A of the Schedule VI of SEBI (ICDR) Regulations, 2018**

#### **Listed:**

1. INOX Leisure Limited
2. INOX Wind Limited

#### **Unlisted:**

1. INOX Air Products Private Limited
2. INOX India Private Limited
3. INOX Wind Infrastructure Services Limited

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## **BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY**

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GFL 1 is one of the leading player in the international and domestic Polytetrafluoroethylene (PTFE) market, with over 25 years' of experience in the field. GFL 1 operates one of the largest PTFE facilities in the world, accounting for more than 10% of the global PTFE capacity. This is amongst the world's most integrated and technologically advanced PTFE facility in the world.

There are multiple levers that will fuel us on our long marathon to success. Our ability to produce a wide range of chemicals through our vertically integrated facility makes us one of the most cost competitive PTFE producers globally, and also, less susceptible to volatilities of the commodity cycle. A gradual shift to value-added products enables us generate better margins and more stable pricing for our products.

As we move ahead post demerger of Chemical Business Undertaking from GFL 1 into GFL 2, GFL 2 is fixated on becoming a leading global fluoropolymer player and in deriving value creation by fully commercializing our new manufacturing facilities for polymers and developing new products. GFL 2 would be leveraging the potential for business scalability by incurring incremental investments. GFL 2 would also strive in improving the realizations by churning the product mix in favor of higher value-added grades, and implementing cost reduction schemes.

GFL 2 would also be value adding by diversifying into fluoro-speciality chemicals and other fluoro-polymers, based on low-cost captive availability of a host of fluoro-feedstocks. GFL 2 would remain poised to reap the benefits of increasing capacity utilization by scaling higher the operating leverage, operating margins and return ratios.

The Vision is to consolidate the capacities created in each business segment, especially in fluoropolymers, and operate them in a world-class and safe manner to service global customers as a reliable, long-term and high quality supply chain partner. GFL 2 would make smart investments today, to reap their benefits tomorrow. Through the forward-thinking approach, GFL 2 would be well poised for sustainably delivering enriched stakeholder growth and in becoming the world's leading fluoropolymer player.

### Key Strategies for Future Growth:

- Complete focus on enhancing safety of our operations by deploying global best facilitators in the game;
- Attaining full capacity utilization of debottlenecked and expanded capacities in fluoropolymers;
- Adding high value-added fluoropolymers such as PCTFE, TSAN and FFKM as well as additional fluoro-intermediates to continue the offerings of a full fluorine bouquet to our global customers; and
- Continuing to provide top-class technical and logistics services to the customers.

### BOARD OF DIRECTORS OF GFL 2

#### Board of Directors of GFL 2:

Sr. No.	Name	DOB	Qualification	Experience including current / past position held in other firms
1	Shri Devendra Kumar Jain Director(NED) DIN: 00029782	02.03.1929	B.A. History (Hons)	Mr. Devendra Kumar Jain possesses <b>over 60 years of rich experience</b> in business management and international trade. In recognition of his successful efforts to increase bilateral trade with Commonwealth countries, he was granted a Dignity of an Honorary Member of the Civil Division in the Order of the British Empire by Her Majesty, the Queen of England. He is a part of promoter group.
2	Shri Vivek Kumar Jain Managing Director, DIN: 00029968	30.08.1955	B.Com; PGDBM from IIM Ahmedabad	Shri Vivek Jain has <b>over 33 years of rich business experience</b> in setting up and managing several businesses. Shri Vivek Jain is Managing Director of Gujarat Fluorochemicals Limited (GFL) since its inception. Under his leadership, GFL has grown as an Industry with multiple business activities from a single manufacturing unit to a diversified business conglomerate producing several world – class business of global scale of refrigerant gases to entire Chemical Complex with manufacturing of Caustic Soda, Chloromethane, and Poly Tetra Fluoro Ethane (PTFE). He is a part of promoter group.
3	Shri Pavan Kumar Jain Director(NED, DIN: 00030098	17.05.1951	Chemical Engineer from IIT, New Delhi	Mr. Pavan Kumar Jain has <b>over 38 years of experience</b> of handling several diverse businesses, of which the last twenty two have been as Managing Director of Inox Air Products Private Limited. He is a part of promoter group.
4	Shri Shailendra Swarup Independent Director, DIN: 00167799	20.11.1944	LL.B.	Mr. Shailendra Swarup is a Senior Advocate. He is practicing in the High Court and Supreme Court of India, at New Delhi. He has <b>around 44 years of experience</b> in handling various legal matters. He is also on the Board of several professionally managed companies. Mr. Swarup was a member of the Task Force on Corporate Governance constituted by the confederation of Indian Industry under the Chairmanship of Mr. Rahul Bajaj. He was a member of consultative Group constituted by the Reserve Bank of India under the Chairmanship of Dr AS Ganguly.



5	Shri Dinesh Kumar Sachdeva Whole-Time Director, DIN: 00050740	12.12.1944	B.Tech. Chemical Engineer from IIT, Kharagpur	Mr. Dinesh Kumar Sachdeva <b>has over 47 years of experience</b> in the technical field of various chemical / process plants.
6	Shri Om Prakash Lohia Independent Director, DIN: 00206807	26.05.1949	B.com.	Mr. Om Prakash Lohia is Chairman and Managing Director of Indo Rama Synthetics (India) Limited. He has joined the family textile business after graduation which gave him management exposure in all disciplines of business management. Mr Lohia has been awarded Ugyog Ratna award by the Madhya Pradesh Government in 2005.
7	Shri Deepak Asher Director (NED), DIN: 00035371	15.01.1959	B.Com., LLB, CA, ICWA	Mr. Deepak Asher has been associated with the Inox Group <b>for more than thirty years now</b> , in different capacities. He has been responsible for spearheading the Group's diversification into the cinema and CDM businesses, and the wind energy business.
8	Shri Shanti Prasad Jain Independent Director, DIN: 00023379	01.02.1940	FCA	Mr. Shanti Prasad Jain is a leading Chartered Accountant and <b>practicing since 1963</b> . He has specialized in taxation matters of various reputed companies and banks.
9	Shri Rajagopalan Doraiswami Independent Director, DIN: 07013468	26.07.1949	MSc Physics, IAS	Mr. Rajagopalan Doraiswami has retired from the Government Service. During the tenure of his service, he has headed various Government offices.
10	Ms. Vanita Bhargava Independent Director, DIN: 07156852	01.03.1974	Bcom , LLB	Ms Vanita Bhargava is a partner in the Dispute Resolution Group of Khaitan & Co, New Delhi. Ms Vanita Bhargava <b>has 20 years</b> of experience as practicing advocate at Supreme Court, High Court, Company Law Board, National Green Tribunal, Mining Tribunal, Consumer Forums and its Appellate Authorities.
11	Shri Anand R Bhusari Whole-time Director, DIN: 07167198	13.05.1958	M.Tech. Chemical Engineer from IIT, Mumbai	Mr Anand Bhusari <b>has over 34 years of experience</b> essentially in Petrochemicals & Refinery Operations, technology management, project execution, debottlenecking, safety and quality systems. He was associated with Reliance Industries for 18 years with his last assignment as COO. Prior to that he was with NOCIL for nearly 10 years.
12	Shri Chandra Prakash Jain Independent Director, DIN: 00011964	03.03.1946	B.Com, LLB,FCA , Advance Diploma in Management.	Shri Chandra Prakash Jain was former Chairman and Managing Director of NTPC Limited. For the period 2003-05, he had been the Chairman of the SCOPE- Standing Conference of Public Enterprises - the apex organization of Central Public Sector Enterprises (CPSEs) in INDIA. He was also the Chairman of the 'Global Studies Committee' of World Energy Council London and the Member of its Officers Council for the 6-year term up to September, 2010.

Since GFL 2 has been newly incorporated, there has been no change in the Board of Directors of GFL 2 since incorporation.

### SHAREHOLDING PATTERN OF GFL 2 (Pre and Post Demerger)

Shareholding pattern of GFL 2 Pre Demerger:

Sr. No.	Particular	Number of Equity Shares Held	% of Holding
1.	Gujarat Fluorochemicals Limited	99400	99.40%
2.	Nominees of GFL 1	600	0.60%
	<b>Total</b>	<b>100,000</b>	<b>100.00%</b>

Following will be the shareholding pattern of GFL 2 upon implementation of Scheme of Demerger:

Sr. No.	Particular	Number of Equity Shares Held	% of Holding
1.	<u>Promoter</u>		
a.	Inox Leasing and Finance Limited	57,715,310	52.54%
	<u>Promoter Group</u>		
a.	Devansh Trademart LLP	6,662,360	6.07%
b.	Siddhapavan Trading LLP	5,576,440	5.08%
c.	Inox Chemicals LLP	2,955,230	2.69%
d.	Siddho Mal Trading LLP	2,019,260	1.84%
e.	Individuals	136,300	0.14%
	Total Promoter & Promoter Group	75,064,900	68.33%
2.	Public	34,785,100	31.67%
	<b>Total</b>	<b>109,850,000</b>	<b>100.00%</b>

### AUDITED FINANCIALS OF GFL 1 PERTAINING TO CHEMICAL BUSINESS UNDERTAKING

Standalone	Rs. In lakhs			
	HY 2018	FY 2017-18	FY 2016-17	FY 2015-16
Total income from operations (net) **	137,501	208,431	153,206	143,522
Net Profit / (Loss) before tax and exceptional items	33,669	44,092	15,956	12,594
Net Profit / (Loss) after tax and exceptional items	56,151	30,626	12,828	8,482
Equity Share Capital	1,099	1,099	1,099	1,099
Reserves and Surplus	314,695	267,454	235,591	241,610
Net worth	315,793	268,552	236,690	242,709
Basic earnings per share (Rs.)	51.12	27.88	11.68	7.72
Diluted earnings per share (Rs.)	51.12	27.88	11.68	7.72
Return on net worth (%)	17.78	11.40	5.42	3.49
Net asset value per share (Rs.)	287.48	244.47	215.47	220.95

Note : \*\* Total Income from operation does not include other income

Consolidated	Rs. In lakhs			
	HY 2018	FY 2017-18	FY 2016-17	FY 2015-16
Total income from operations (net) **	135,431	215,253	156,952	147,873
Net Profit / (Loss) before tax and exceptional items	32,020	45,050	15,979	11,235
Net Profit / (Loss) after tax and exceptional items	54,787	31,419	12,936	7,005
Equity Share Capital	1,099	1,099	1,099	1,099
Reserves and Surplus*	314,421	267,538	234,626	240,558
Net worth	315,333	268,566	235,713	241,717
Basic earnings per share (Rs.)	49.87	28.60	11.78	6.38
Diluted earnings per share (Rs.)	49.87	28.60	11.78	6.38
Return on net worth (%)	17.37	11.70	5.49	2.90
Net asset value per share (Rs.)	287.06	244.48	214.58	220.04

Note : \*Reserves and Surplus does not includes Non Controlling Interest

## INTERNAL RISK FACTORS

1. GFL 2 would be exposed to normal industry risk factors, economic cycles and uncertainties in the markets. Due to the commodity nature of some of the products currently produced by GFL 1, GFL 2 would be susceptible to the vagaries of commodity cycles. A key risk includes increased competition and impact on pricing, due to any additional capacities set up by Chinese manufacturers, which could affect GFL 2's sales, realizations and profitability.
2. GFL 2's production would be done at various manufacturing locations and hence location risks would also exist. In the event of disruption in the operations at any location or in the event of any unforeseen event happening at any location, it could materially affect operations. The operations of GFL 2 would be dependent on skilled labour, and hence it could also be subjected to problems associated with industrial relations and talent shortage.
3. If GFL 2 is unable to estimate demand for their products and thereby effectively manage inventory, it could have an adverse effect on their business, results of operations and financial condition.
4. GFL 2 will be subject to safety, health, environmental, labour, workplace and related laws and regulations and any failure to comply with any current or future laws or regulations could have a material adverse effect on its business, financial condition and results of operations.
5. Newly developed products may replace GFL 2's existing products and their research and development efforts may not yield new products, processes and solutions consistently to enable them to remain competitive.
6. GFL 2's performance depends to a large extent on the efforts and abilities of its Promoters and Key Management Personnel. The loss of or diminution in the services of one or more of its Promoters and Key Management Personnel could have a material adverse effect on business, financial condition and results of operations.
7. A material disruption at one or more of GFL 2's manufacturing facilities could have a material adverse effect on its business, results of operations and financial condition.

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against and by GFL 1 and amount involved are as under –

Type of Cases	Number of cases	Amount involved (Rs Lakhs)
Civil Matters	6	208
Criminal Matters	7	1,053
Labour Claims	1	-
Tax Matters	25	2,988
Consumer Complaints	3	81
<b>Total</b>	<b>42</b>	<b>4,330</b>

- B. Brief details of top 5 material outstanding litigations against the Company and amount involved –

Sr. No.	Particulars	Litigation filed by	Current Status	Amount (Rs. Lakhs)
1	Differential duty on Import of Coal on high seas	Customs Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	756

2	Reopening of the assessment in respect of deduction claimed under section 80IA for F.Y.2009-10 and F.Y.2010-11	Income Tax Dept.	Matter is pending at Commissioner of Income Tax (Appeals)-1, Vadodara.	537
3	Excise Duty on freight recovered from customers	Excise Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	286
4	Non-payment of Service tax on Import of services relating to supply of tangible goods, online information database access or retrieval services– May 2008 to March 2015 & April 2015 to March 2016	Service Tax Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	219
5	Excise Duty on freight recovered from customers	Excise Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	116
<b>Total</b>				<b>1,914</b>

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any: **Nil**

D. Brief details of outstanding criminal proceedings against Promoters: **Nil**

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#### **RATIONALE AND BENEFITS OF THE SCHEME OF ARRANGEMENT**

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The Scheme shall achieve the following benefits:

- Segregation of Businesses: GFL 1 is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL 1 is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL 1 are distinct and diverse in its business characteristics with different risk and return profiles & capital and operational requirements. The management of GFL 1 believes that the scheme will provide better flexibility to investors to select investments which best suit their investment strategies and risk profile for each of the businesses of GFL 1.
- Result in economies in business operations; provide optimal utilization of resources and greater administrative efficiencies.
- The proposed demerger of the Chemical business will unlock value for the existing shareholders and allow the management to have a focused growth strategy which would be in the best interest of all the stakeholders.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of GFL 1. The Scheme would be in the best interest of all stakeholders in GFL 1.

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#### **ANY OTHER IMPORTANT INFORMATION OF GFL 2**

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- Authority for the issue – The Scheme was approved by the Board of Directors of GFL 1 in their meeting held on November 14, 2018 and GFL 2 on December 12, 2018. The same is subject to statutory approvals including from the SEBI, Shareholders, Stock Exchanges, National Company Law Tribunal, Regional Director & Registrar of Companies.
- Expert Opinion obtained, if any – Share Exchange Report and Fairness Opinion

- Material Contracts and Documents for Inspection:
  1. Memorandum & Articles of Association
  2. Financial Statements & latest Shareholding Pattern
  3. Draft Scheme of Arrangement
  4. Share Exchange Ratio Report and Fairness Opinion pursuant for the Scheme
  5. Networth Certificate pre and post Scheme
- Time and Place of Inspection of material contracts and documents – Copies of the abovementioned documents for the inspection referred to hereunder, may be inspected at GFL 2's Registered Office situated at Survey Number 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba District Panchmahal, Gujarat 389380, between 10:00 am and 5:00 pm on all working days (Monday to Friday) from the date of this Abridged Prospectus until the listing approval.

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#### **DECLARATION**

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We hereby declare that all relevant provisions of the Companies Act, 1956 & Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this abridged prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true & correct.

**For INOX Fluorochemicals Limited**

**Dinesh Kumar Sachdeva**

**Director**

**Place:** Vadodara

**Date:** December13, 2018

Fiat No.3, First Floor, Shree Vishnu Complex, S.No. 120A/120B, Plot No. 545/6, Sinhgad Road, Pune - 411030  
Contact: +91 9850898715 email : nmk@kulkarnico.com

**Limited Review Report on Standalone Quarterly and Year to Date Unaudited Financial Results of Gujarat Fluorochemicals Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of Gujarat Fluorochemicals Limited**

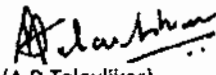
We have reviewed the accompanying statement of unaudited standalone financial results of Gujarat Fluorochemicals Limited (the "Company") for the quarter and nine months ended 31 December 2018 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 on 'Interim Financial Reporting' (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/2016 dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Kulkarni and Company  
Chartered Accountants  
Firm Registration No. 140959W

  
(A D Talavlikar)

Partner  
Mem. No. 130432

Place: Pune  
Date: 13 February 2018



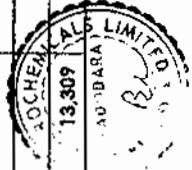


# GUJARAT FLUORO-CHEMICALS LIMITED

CIN : L24110GJ1987 PLC009362, Website : www.gfl.co.in , email : contact@gfl.co.in  
 Registered Office: 16/3, 26 & 27, Village Ranjithnagar, Taluka Goghamba, District Panchmahals, Gujarat 389 380

## STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31<sup>st</sup> DECEMBER, 2018

Sr. No.	Particulars	(Rs. in Lakhs)					
		3 Months ended 31/12/2018 (Unaudited)	Preceding 3 Months ended 30/09/2018 (Unaudited)	Corresponding 3 Months ended 31/12/2017 (Unaudited)	9 Months ended 31/12/2018 (Unaudited)	Corresponding 9 Months ended 31/12/2017 (Unaudited)	Year ended 31/03/2018 (Audited)
I	Revenue from operations (See Note 2)	67,366	68,024	52,684	2,04,867	1,48,780	2,08,431
II	Other income	1,669	4,287	2,629	7,316	7,331	8,637
III	<b>Total Income (I+II)</b>	<b>69,035</b>	<b>72,311</b>	<b>55,313</b>	<b>2,12,183</b>	<b>1,56,111</b>	<b>2,17,068</b>
IV	<b>Expenses</b>						
	Cost of materials consumed	23,653	22,252	13,274	71,309	38,023	53,938
	Purchases of stock-in-trade	5	-	-	15	-	-
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	(5,118)	(1,962)	2,041	(11,280)	2,868	3,842
	Excise duty	-	-	-	-	2,873	2,873
	Employee benefits expense	4,069	3,851	3,371	12,238	10,280	13,835
	Power and fuel	14,818	12,021	10,663	38,853	30,532	41,002
	Foreign exchange fluctuation (gain)/loss (net)	(444)	(1,300)	(429)	(2,925)	(891)	(1,665)
	Finance costs	1,265	1,710	733	4,168	3,051	4,762
	Depreciation and amortisation expense	4,074	3,993	3,867	11,930	11,447	15,214
	Other expenses	9,669	13,394	8,484	34,920	23,930	35,041
	<b>Total expenses (IV)</b>	<b>51,991</b>	<b>53,959</b>	<b>42,004</b>	<b>1,59,228</b>	<b>1,22,113</b>	<b>1,68,842</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>	<b>17,044</b>	<b>18,352</b>	<b>13,309</b>	<b>52,955</b>	<b>33,998</b>	<b>48,226</b>
VI	Exceptional items (see Note 3)	-	-	-	-	-	15,403
VII	<b>Profit before tax (V+VI)</b>	<b>17,044</b>	<b>18,352</b>	<b>13,309</b>	<b>52,955</b>	<b>33,998</b>	<b>63,629</b>



VIII	<b>Tax expense</b>													
	(1) Current tax	4,811	6,566	3,932	17,740	9,469								13,901
	(2) Deferred tax	985	642	(89)	1,297	(1,37)								1,004
	(3) Tax pertaining to earlier years (see Note 4)	-	(34,937)	-	(34,937)	-								(7)
	<b>Total tax expense</b>	<b>5,796</b>	<b>(27,729)</b>	<b>3,843</b>	<b>(15,900)</b>	<b>9,332</b>								<b>14,898</b>
IX	<b>Profit for the period (VI-VIII)</b>	<b>11,248</b>	<b>46,081</b>	<b>9,466</b>	<b>68,855</b>	<b>24,666</b>								<b>48,731</b>
X	<b>Other Comprehensive Income</b>													
	A) Items that will not be reclassified to profit or loss	(46)	63	108	(107)	57								106
	Income tax on above	17	(22)	(38)	38	(20)								(37)
	B) Items that will be reclassified to profit or loss	(91)	16	50	(15)	44								153
	Income tax on above	32	(6)	(17)	5	(15)								(54)
	<b>Total other comprehensive income (net of tax)</b>	<b>(88)</b>	<b>51</b>	<b>103</b>	<b>(79)</b>	<b>66</b>								<b>168</b>
	<b>Total comprehensive income for the period (IX+X)</b>	<b>11,160</b>	<b>46,132</b>	<b>9,569</b>	<b>68,776</b>	<b>24,732</b>								<b>48,899</b>
	<b>(Comprising Profit and Other Comprehensive Income for the period)</b>													
XII	<b>Earnings Before Interest, Tax, Depreciation &amp; Amortization (EBITDA)</b>	<b>20,714</b>	<b>19,768</b>	<b>15,280</b>	<b>61,737</b>	<b>41,165</b>								<b>59,565</b>
XIII	Paid-up equity share capital (face value of Re 1 each)	1,099	1,099	1,099	1,099	1,099								1,099
XIV	Other Equity (excluding revaluation reserves) as shown in the Audited Balance Sheet of the previous year													3,46,814
XV	Basic and Diluted Earnings per equity share (in Rs.)	*10.24	*41.95	*8.62	*62.68	*22.45								44.36

(\*): Not Annualised





**Notes:**

1. The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at its meeting held on 13<sup>th</sup> February, 2019 and have undergone 'Limited Review' by the Statutory Auditors.
2. According to requirement of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, revenue from operations for the nine months ended 31<sup>st</sup> December 2017 and year ended 31<sup>st</sup> March 2018 was reported inclusive of excise duty. Goods and Services Tax ("GST") was implemented with effect from 1<sup>st</sup> July 2017, which subsumed excise duty. As per Ind AS 18, revenue from operations for the quarter ended 31<sup>st</sup> December 2018, quarter ended 30<sup>th</sup> September 2018 and quarter ended 31<sup>st</sup> December 2017 is reported net of GST. Therefore, revenue from operations for the current periods is not comparable with corresponding earlier periods. Comparable revenue from operations included in Total Income above has been computed by adjusting excise duty from the revenue from operations of respective previous period, on like-to-like basis and same is tabulated below :-

Particulars	(Rs. in Lakhs)					
	3 Months ended 31/12/2018 (Unaudited)	Preceding 3 Months ended 30/09/2018 (Unaudited)	Corresponding 3 Months ended 31/12/2017 (Unaudited)	9 Months ended 31/12/2018 (Unaudited)	Corresponding 9 Months ended 31/12/2017 (Unaudited)	Year ended 31/03/2018 (Audited)
Revenue from Operations (A)	67,366	68,024	52,684	2,04,867	1,48,780	2,08,431
Excise duty on sale (B)	-	-	-	-	2,873	2,873
<b>Revenue from operations excluding excise duty on sale (A-B)</b>	<b>67,366</b>	<b>68,024</b>	<b>52,684</b>	<b>2,04,867</b>	<b>1,45,907</b>	<b>2,05,558</b>

3. Exceptional items during year ended 31<sup>st</sup> March 2018 is on account of Gain on sale of Company's stake in Subsidiary Company Inox Wind Limited.
4. To meet the minimum public shareholding requirements by the Company's subsidiary Inox Wind Limited ("IWL"), the 'Promoter/Promoter Group' have sold, in aggregate, 2,35,61,331 equity shares in IWL in through an Offer for Sale (OFS) of shares through the stock exchange, in March 2018. The OFS included sale of 1,35,61,331 equity shares in IWL by GFL as a promoter. The net gain of Rs. 15,403 Lakhs on sale of these shares by GFL is included in Exceptional items above.
4. During the quarter ended 30<sup>th</sup> September 2018, the Company has received appellate orders from Income-tax Appellate Tribunal ("ITAT") for two years (viz. assessment year 2012-13 and 2013-14) favourably upholding certain contentions raised by the Company at assessment stage. Consequently, the reduction in tax liability of Rs. 34,937 lakhs in respect of these two years is recognized as 'tax pertaining to earlier years' and interest of Rs. 2,776 lakhs on such income-tax refunds is included in other income. For the other years, the same matter is still pending before ITAT and hence, effect for the same will be given when the matter is decided by the ITAT for the respective years.
5. The Company has a single operating segment viz. 'Chemicals'.



6. During the quarter ended 31st December 2018, the Company has acquired 64,00,000 additional equity shares in its subsidiary, Inox Leisure Limited (ILL). These shares are allotted by ILL, by way of a preferential allotment, after taking necessary approvals, at a price of Rs. 250 per equity share (including share premium of Rs. 240 per equity share), aggregating to Rs. 16,000 Lakhs. Consequently, the shareholding of the Company in ILL has increased from 48.09% to 51.32%.
7. The Board of Directors of Gujarat Fluorochemicals Limited has approved, subject to approval of its shareholders and creditors, and other regulatory approvals as may be required, including those of the Stock Exchanges, SEBI and the National Company Law Board Tribunal, a scheme for the demerger of its chemical business into its wholly owned subsidiary company, Inox Fluorochemicals Limited, a company incorporated on 6th December 2018 under the Companies Act, 2013. On completion of the demerger, all the shareholders of Gujarat Fluorochemicals Limited, will be issued one fully paid up equity share of Re 1 each in Inox Fluorochemicals Limited, for every one fully paid up equity share of Re 1 each held by them in Gujarat Fluorochemicals Limited. The Inox Fluorochemicals Limited therefore will be a mirror image company of Gujarat Fluorochemicals Limited, and will be separately listed.

Place: Noida

Date: 13<sup>th</sup> February, 2019



On behalf of the Board of Directors  
For Gujarat Fluorochemicals Limited

VIVEK JAIN

Managing Director

**PATANKAR  
& ASSOCIATES**  
Chartered Accountants

Office No. 19 to 23, 4th floor, 'Gold Wings',  
S.No. 118/A, Plot No.543, Sinhgad Road,  
Parvati Nagar, Pune - 411030  
Telefax: 020 - 24252117 / 24252118  
email : sanjay@patankarassociates.com

## Independent Auditor's Report to the Board of Directors of Inox Fluorochemicals Limited

### Report on the audit of Interim Ind AS Financial Statements

We have audited the accompanying Interim Ind AS financial statements of **Inox Fluorochemicals Limited** ("the Company") which comprises the Interim Balance Sheet as at 12 December 2018, the Interim Statement of Profit and Loss, the Interim Statement of Cash Flows and the Interim Statement of Changes in Equity for the period from 6 December 2018 to 12 December 2018, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 12 December 2018, and loss, its cash flows and changes in equity for the period ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Interim Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these interim Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the



**Independent auditor's report to the Board of Directors of Inox Fluorochemicals Limited on the Interim Ind AS financial statements for the period ended 12 December 2018 (continued)**

preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

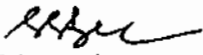
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Patankar & Associates  
Chartered Accountants  
Firm's Registration No. 107628W

  
S S Agrawal  
Partner  
Membership No. 049051



Place: Pune  
Date: 27 December 2018

**Inox Fluorochemicals Limited**  
**Interim Balance Sheet as at 12 December 2018**

Particulars	Note No.	(Rs. in Lakhs)
		As at 12 December 2018
<b>ASSETS</b>		
<b>Current assets</b>		
(a) Financial assets		
(i) Cash and cash equivalents	5	1.00
<b>Sub-total</b>		<b>1.00</b>
<b>Total Assets</b>		<b>1.00</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	6	1.00
(b) Other equity	7	(0.36)
<b>Sub-total</b>		<b>0.64</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Other financial liabilities	8	0.36
<b>Sub-total</b>		<b>0.36</b>
<b>Total Equity and Liabilities</b>		<b>1.00</b>

The accompanying notes are an integral part of the Interim Ind AS financial statements

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants

  
S S Agrawal  
Partner



Place: Pune

Date : 27 December 2018

**For Inox Fluorochemicals Limited**

  
Director      Director

Place: Vadodara

Date : 27 December 2018

Inox Fluorochemicals Limited

Interim Statement of Profit and Loss for the period from 6 December to 12 December 2018


Particulars	Note No.	(Rs. in Lakhs) Period from 6 December to 12 December 2018
Revenue from operations		-
<b>Total Income</b>		<b>-</b>
<b>Expenses</b>		
Preliminary expenses written off	9	0.36
<b>Total expenses</b>		<b>0.36</b>
<b>Loss before tax</b>		<b>(0.36)</b>
Tax expense		-
<b>Loss for the period</b>		<b>(0.36)</b>
<b>Other comprehensive income</b>		<b>-</b>
<b>Total comprehensive income for the period</b> (comprising loss and other comprehensive income for the period)		<b>(0.36)</b>
<b>Basic and Diluted loss per equity share of Re. 1 each (In Rs.)</b>	13	<b>(0.36)</b>

The accompanying notes are an integral part of the Interim Ind AS financial statements

As per our report of even date attached

For Patankar & Associates

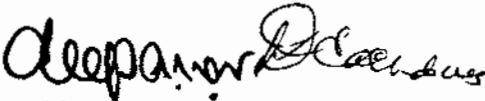
Chartered Accountants

  
S S Agrawal  
Partner



Place: Pune  
Date : 27 December 2018

For Inox Fluorochemicals Limited

  
- Director Director

Place: Vadodara  
Date : 27 December 2018

**Inox Fluorochemicals Limited**  
**Interim Statement of Changes in Equity for the period from 6 December to 12 December 2018**

**A: Equity Share Capital**

(Rs. in Lakhs)

Particulars	
Changes in equity share capital during the period	1.00
<b>Balance as at 12 December 2018</b>	<b>1.00</b>

**B: Other Equity**

(Rs. in Lakhs)

Particulars	Retained Earnings
Loss for the period	(0.36)
Total comprehensive income for the period	(0.36)
<b>Balance as at 12 December 2018</b>	<b>(0.36)</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
**For Patankar & Associates**  
Chartered Accountants

*SS Agrawal*  
SS Agrawal  
Partner



Place: Pune  
Date : 27 December 2018

**For Inox Fluorochemicals Limited**

*Deepenya D. Chaudhary*  
Director Director

Place: Vadodara  
Date : 27 December 2018



**Inox Fluorochemicals Limited**

**Statement of Cash Flows for the period from 6 December to 12 December 2018**

Particulars	(Rs. in Lakhs)
	Period from 6 December to 12 December 2018
<b>Cash flows from operating activities</b>	
Loss for the period	(0.36)
<b>Operating loss before working capital changes</b>	<b>(0.36)</b>
<b>Movements in working capital:</b>	
Other financial liabilities	0.36
<b>Cash used in operating activities</b>	<b>-</b>
Income taxes paid	-
<b>Net cash used in operating activities</b>	<b>-</b>
<b>Cash flows from financing activities</b>	
Shares issued during the period	1.00
<b>Net cash generated from financing activities</b>	<b>1.00</b>
<b>Net increase in cash and cash equivalents</b>	<b>1.00</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1.00</b>

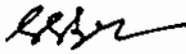
**Notes:**

1. The above statement of cash flows has been prepared under the Indirect method.
2. Components of cash and cash equivalents are as per note 5
3. The accompanying notes are an integral part of the Interim IND AS financial statements.

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants



S S Agrawal  
Partner



Place: Pune

Date : 27 December 2018

**For Inox Fluorochemicals Limited**



Director

Director

Place: Vadodara

Date : 27 December 2018

## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

#### **1. Company Information**

Inox Fluorochemicals Limited (the "Company") is incorporated on 6 December 2018 under the Companies Act, 2013 and is a wholly owned subsidiary of Gujarat Fluorochemicals Limited ("the Holding Company"). The Board of Directors of the Holding Company have approved, subject to approval of its shareholders and creditors, and other regulatory approvals as may be required, including those of the Stock Exchanges, SEBI and the Hon'ble National Company Law Board Tribunal, a scheme for the demerger of its chemical business into Inox Fluorochemicals Limited. Pursuant to the said scheme of demerger, the chemical business undertaking of the Holding Company will be demerged to Inox Fluorochemicals Limited with effect from the appointed date viz. 1 April 2019. Further, all the shareholders of Gujarat Fluorochemicals Limited, will be issued one fully paid up equity share of Re 1 each of Inox Fluorochemicals Limited, for every one fully paid up equity share of Re 1 each held by them in Gujarat Fluorochemicals Limited and simultaneously the existing share capital of Rs. 1 lakh of Inox Fluorochemicals will stand cancelled. The Company is yet to commence its commercial operations. As at 12 December 2018, it does not have any fixed assets, employees or turnover.

Inox Leasing and Finance Limited is the ultimate holding company. The Company's registered office is located at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380.

#### **2. Statement of compliance and basis of preparation and presentation**

##### **2.1 Statement of Compliance**

The first financial year of the Company is for the period from 6 December 2018 to 31 March 2019. These interim financial statements of the Company are specifically prepared for the purpose of submission to stock exchanges and other regulatory authorities in pursuance of the aforesaid scheme of demerger and comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act").

##### **2.2 Basis of Measurement**

These interim IND AS financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated. These are the first financial statements of the Company and hence there are no comparative amounts for the previous period.

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **2.3 Basis of Preparation and Presentation**

The financial statements have been prepared on accrual and going concern basis.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months.

These financial statements were authorized for issue by the Company's Board of Directors on 27 December 2018.

### **3. Significant Accounting Policies**

#### **3.1 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **3.1.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years, items that are never taxable or deductible and tax incentives. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### **3.1.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### **3.1.3 Presentation of current and deferred tax :**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

#### **3.2 Provisions and contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

#### **3.3 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial



## Inox Fluorochemicals Limited

### Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018

liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### A) Financial assets

##### a) Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

##### b) Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

##### c) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

##### i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

##### ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:



## Inox Fluorochemicals Limited

### Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments classified under financial assets are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

The Company does not have any financial assets in this category.

#### iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

The Company does not have any financial assets in this category.

#### d) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

#### **e) Impairment of financial assets:**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

The Company does not have any trade receivables as at 12 December 2018.

In case of assets listed as (i) and (ii) above, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense / income in the Statement of Profit and Loss under the head 'Other expenses' / 'Other income'.

#### **B] Financial liabilities and equity instruments**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **i. Equity instruments:-**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company member are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### **ii. Financial Liabilities:-**

###### **a) Initial recognition and measurement :**

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

#### **b) Subsequent measurement:**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Company has not designated any financial liability as at FVTPL.

#### **c) Derecognition of financial liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

#### **3.4 Earnings Per Share**

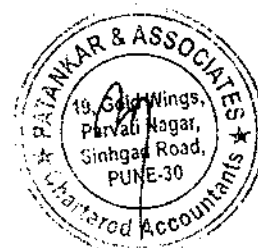
Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### **4 Critical accounting judgements and use of estimates**

In application of Company's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.





Inox Fluorochemicals Limited

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

Particulars	(Rs. in Lakhs)
	As at 12 December 2018
<b>5: Cash and cash equivalents</b>	
Balances with banks	
In current account	1.00
<b>Total</b>	<b>1.00</b>



**Inox Fluorochemicals Limited**

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

Particulars	(Rs. in Lakhs)
	As at 12 December 2018

**6: Equity share capital**

<b>Authorised capital</b>	
1,00,000 equity shares of Rs. 1 each	1.00
<b>Issued, subscribed and paid up</b>	
1,00,000 equity shares of Rs. 1 each fully paid up	1.00
	1.00

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period**

Particulars	As at 12 December 2018	
	No. of shares	Rs. (in Lakhs)
Shares issued during the period	1,00,000	1.00
Shares outstanding at the end of the period	1,00,000	1.00

**(b) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 1 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

**(c) Shares held by holding company**

Particulars	As at 12 December 2018	
	No. of shares	Rs. (in Lakhs)
Gujarat Fluorochemicals Limited (*)	1,00,000	1.00

**(d) Details of shareholders holding more than 5% shares in the Company:**

Name of shareholder	As at 12 December 2018	
	No. of shares	Holding %
Gujarat Fluorochemicals Limited (*)	1,00,000	100.00%

(\*) Including shares held through nominee shareholders



Inox Fluorochemicals Limited

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

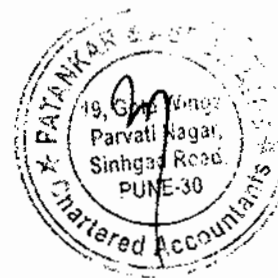
Particulars	(Rs. in Lakhs)
	As at 12 December 2018
<b>7: Other Equity</b>	
Retained earnings	(0.36)
<b>Total</b>	<b>(0.36)</b>
<b>Retained earnings</b>	
Particulars	As at 12 December 2018
Loss for the period	(0.36)
<b>Balance at the end of the period</b>	<b>(0.36)</b>



Inox Fluorochemicals Limited

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

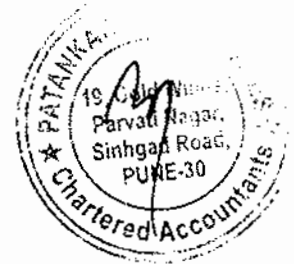
Particulars	(Rs. in Lakhs)
	As at 12 December 2018
<b>8: Other financial liabilities</b>	
Expenses payable	0.36
<b>Total</b>	<b>0.36</b>



**Inox Fluorochemicals Limited**

**Notes to the Interim financial statements for the period from 6 December to 12 December 2018**

Particulars	(Rs. in Lakhs) Period from 6 December to 12 December 2018
9: Preliminary expenses written off	
Preliminary expenses written off	0.36
<b>Total</b>	<b>0.36</b>



**Inox Fluorochemicals Limited**

**Notes to the Interim financial statements for the period from 6 December to 12 December 2018**

**10: Related party transactions**

**(i) Where control exists:**

Gujarat Fluorochemicals Limited (GFL) - holding company

Inox Leasing and Finance Limited - ultimate holding company

**(ii) Particulars of transactions**

(Rs. in Lakhs)

Particulars	With parties where control exists	Total
<b>A) Transactions during the period</b>	<b>Period from 6 December to 12 December 2018</b>	<b>Period from 6 December to 12 December 2018</b>
(a) Share issued		
Gujarat Fluorochemicals Limited	1.00	1.00
(b) Reimbursement of expenses paid		
Gujarat Fluorochemicals Limited	0.36	0.36
<b>B) Balances at the end of the year</b>	<b>As at 12 December 2018</b>	<b>As at 12 December 2018</b>
(a) Amounts payable		
<b>(i) Other payables</b>		
Gujarat Fluorochemicals Limited	0.36	0.36

**Notes:**

(a) Amounts outstanding are unsecured and will be settled in cash.

(b) There have been no guarantees, received or provided, for any related party receivables or payables.



**11: Financial Instruments**

The Company is yet to commence its commercial operations and accordingly the financial instruments held by the Company are not significant.

**(i) Capital management**

The Company is wholly owned by its parent company and it does not have any borrowings and is not subject to any externally imposed capital requirements.

(ii) Categories of financial instruments	(Rs. in lakhs)
Particulars	As at 12 December 2018
<b>Financial assets</b>	
<b>Measured at amortised cost</b>	
(i) Cash and bank balances	1.00
<b>Financial liabilities</b>	
<b>Measured at amortised cost</b>	
(i) Other financial liabilities	0.36

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

**(iii) Financial risk management**

The Company is yet to commence its commercial operations. Its financial liabilities comprise only of expenses payables of Rs. 0.36 lakhs. The Company's financial assets comprise only of bank balances of Rs. 1.00 lakhs.

The financial assets and liabilities of the Company are not exposed to changes in foreign currency exchange risk, interest rate and other price risk. Further, there is no credit risk as the financial assets comprise only of bank balance with reputed bank.



**Inox Fluorochemicals Limited**

**Notes to the Interim financial statements for the period from 6 December to 12 December 2018**

**14: Financial Instruments - continued**

**Liquidity risk management**

The Company manages its liquidity by financial support of holding company.

The following table details the remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rs. in lakhs)

Particulars	Upto 1 year	3-5 years	5+ years	Total contractual cash flows
Other financial liabilities	0.36		-	0.36

Other financial liabilities of the Company will be repaid with the support of the holding company and cash and bank balances.

**(iv) Financial instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different than the values that be eventually received or paid.





12. Income tax recognised in profit or loss

(Rs. in Lakhs)	
Particulars	Period from 6 December to 12 December 2018
Current tax	Nil
Deferred tax	Nil
<b>Total income tax expense recognised in the current period</b>	<b>Nil</b>

a. The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rs. in Lakhs)	
Particulars	Period from 6 December to 12 December 2018
Loss before tax	(0.36)
Income tax using the Company's domestic tax rate @ 26%	(0.09)
Effect of non-deductible expenses	0.09
<b>Income tax expense recognised in profit or loss</b>	<b>-</b>

The tax rate used for the Period from 6 December to 12 December 2018 is the corporate tax rate of 26% payable by corporate entities in India (where turnover is less than Rs. 250 crore in F.Y 2016-17) on taxable profits under the Indian tax law.



**Inox Fluorochemicals Limited**

**Notes to the Interim financial statements for the period from 6 December to 12 December 2018**


**13. Earnings per share:**

Particulars	Period ended 12 December 2018
a) Net loss attributable to equity shareholders (Rs. in lakhs)	(0.36)
b) Weighed average number of equity shares used in calculation of basic and diluted EPS (Nos)	1,00,000
c) Nominal value of equity share (Rs.)	1
d) Basic and diluted loss per equity share (Rs)	(0.36)

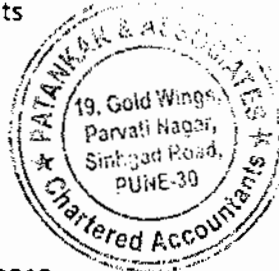
As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants



S S Agrawal  
Partner



Place: Pune

Date : 27 December 2018

**For Inox Fluorochemicals Limited**



Director

Director

Place: Vadodara

Date : 27 December 2018

**GUJARAT FLUORO CHEMICALS LIMITED**

(CIN: L24110GJ1987PLC009362)

**Registered office:** Survey Number 16/3, 26 and 27, Village Ranjitnagar  
Taluka Ghoghamba, District Panchmahal, Gujarat - 389380

**Telephone:** 02678-248153, Fax: 02678-248153

**Website:** www.gfl.co.in, **Email id:** bvdesai@gfl.co.in

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH  
COMPANY SCHEME APPLICATION NO 46 OF 2019**

In the matter of Companies Act, 2013;

And

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

And

In the matter of Scheme of Arrangement between  
Gujarat Fluorochemicals Limited ('The Demerged  
Company' or 'GFL1') and Inox Fluorochemicals  
Limited ('The Resulting Company' or 'GFL 2') and their  
respective Shareholders

**Gujarat Fluorochemicals Limited,** )  
a company incorporated under the provisions )  
of the Companies Act, 1956, and having its Registered Office )  
at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, )  
District Panchmahal, Gujarat-389380 )

..... **Applicant Company**

**FORM NO. MGT -11**

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
No. of Shares Held	
Folio No. /DP ID & Client ID*	
Joint Holder(s)	
E-mail Id	

\*Applicable in case shares are held in electronic form.

I / We being the member(s) of \_\_\_\_\_ equity shares of the above named Company, hereby  
appoint:

- 1) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her;
- 2) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her;
- 3) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my / our proxy, to attend and vote , act for me/us and on my /our behalf at the Meeting of the Equity Shareholders  
of the Applicant Company to be held at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba,  
District Panchmahal, Gujarat – 389380, India on Saturday, 11<sup>th</sup> day of May, 2019 at 11:00 am for the purpose

of considering and, if thought fit, approving, with or without modification(s), the Arrangement embodied in the Scheme of Arrangement between Gujarat Fluorochemicals Limited with Inox Fluorochemicals Limited and their respective Shareholders (the "Scheme") and at such Meeting and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) \_\_\_\_\_ here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the later case, strike out the words below after 'the Scheme') the said Arrangement embodied in the Scheme, either with or without modification(s)\*, as my/our proxy may approve. (\*Strike out whatever is not applicable)

Sr. No.	Particulars	For	Against
1	Approval of Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') with Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders		

Affix Revenue Stamp of Re. 1
---------------------------------------

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of Shareholder (s) \_\_\_\_\_

Signature of Proxy holder (s) \_\_\_\_\_

(Signature across the stamp)

**NOTES:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. The Form of Proxy must be deposited at the Registered Office of the Company at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India not less than 48 (Forty Eight) hours prior to the commencement of the aforesaid Meeting.
3. A person can act as proxy on behalf of Shareholders not exceeding fifty (50) and/or holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder. All alterations made in the Form of Proxy should be initialed.
4. All alterations made in the Form of Proxy should be initialed.
5. In case multiple proxies are received not less than 48 (Forty Eight) hours before the time of holding the aforesaid Meeting, the proxy received later in time shall be accepted. Also, a person who is a minor cannot be appointed as proxy.

**GUJARAT FLUOROCHEMICALS LIMITED**

(CIN: L24110GJ1987PLC009362)

**Registered office:** Survey Number 16/3, 26 and 27, Village Ranjitnagar,  
Taluka Ghoghamba, District Panchmahal, Gujarat - 389380

**Telephone:** 02678-248153, Fax: 02678-248153

**Website:** www.gfl.co.in, **Email id:** bvdesai@gfl.co.in

**ATTENDANCE SLIP**

(To be handed over at the entrance of Meeting Hall)

I /We hereby record my/ our presence at the meeting of the Equity Shareholders of the Applicant Company, convened pursuant to the order of the National Company Law Tribunal, Bench at Ahmedabad, to be held at Registered Office of the Company situated at Survey Number 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat -389380 on Saturday, 11<sup>th</sup> day of May, 2019 at 11.00 a.m.

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

Sr. No. :

Member's Name and Address details	
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Joint Holder – 1	
Joint Holder – 2	
Folio No/DPID & Client ID*	
No of Shares	

\* Applicable only for Investors holding shares in Electronic Form.

Notes:

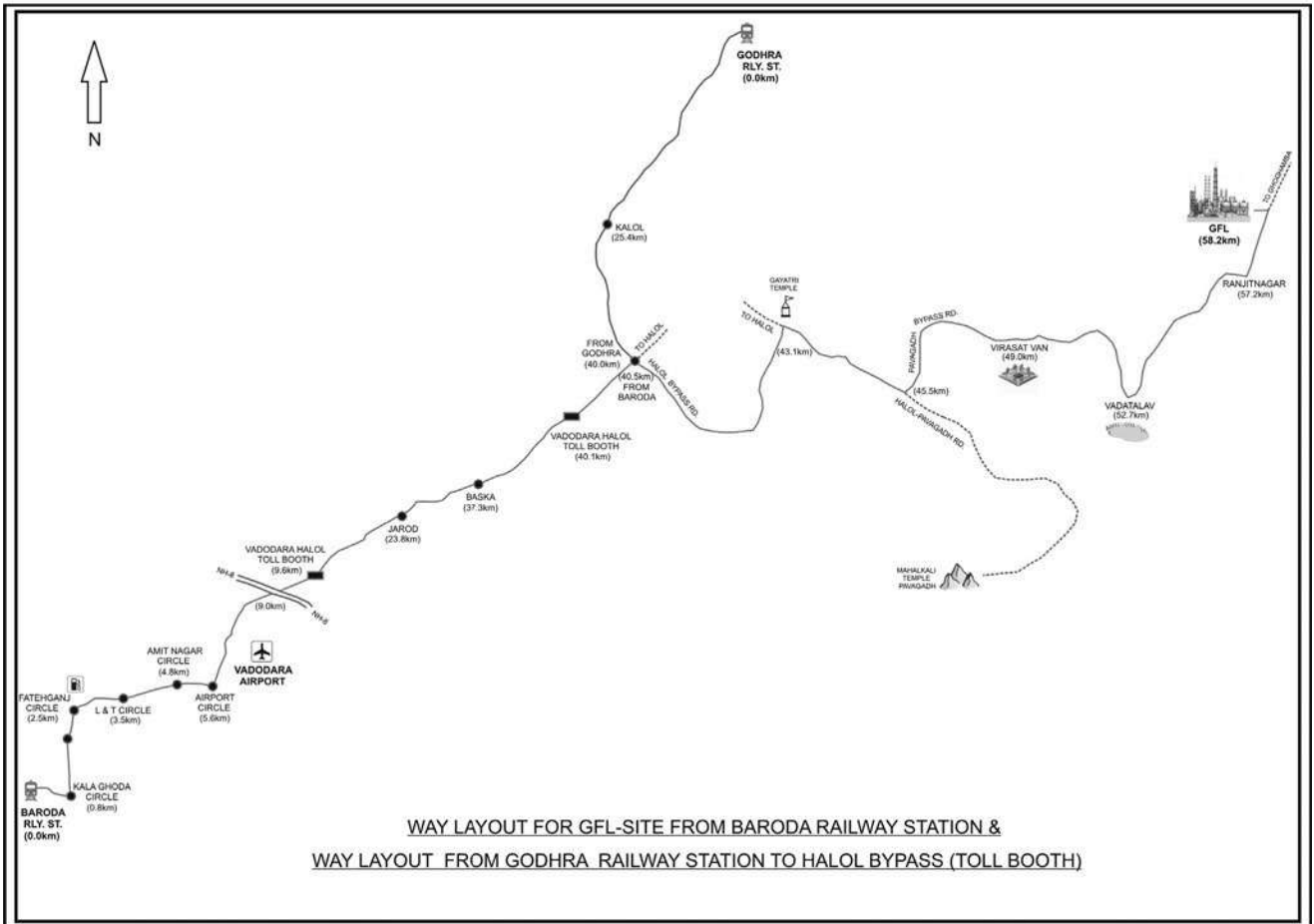
1. Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.
2. Shareholders attending the meeting are requested to bring their copy of the Scheme with them.
3. Equity Shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Company in respect of such joint holding will be entitled to vote.
4. Equity Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.

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Member's/Proxy's Signature

Intentionally Kept Blank

# Route Map for the Venue of the Meeting









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**GUJARAT FLUOROchemicals LIMITED**

(CIN: L24110GJ1987PLC009362)

**Registered office:** Survey Number 16/3, 26 and 27, Village Ranjitnagar  
Taluka Ghoghamba, District Panchmahal, Gujarat -389380

**Telephone:** 02678-248153, **Fax:** 02678-248153

**Website:** [www.gfl.co.in](http://www.gfl.co.in), **Email id:** [bvdesai@gfl.co.in](mailto:bvdesai@gfl.co.in)

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**Website:** www.gfl.co.in, **Email id:** bvdesai@gfl.co.in

## MEETING OF THE SECURED CREDITORS OF GUJARAT FLUORO CHEMICALS LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH

NCLT MEETING:	
Day	Saturday
Date	11 <sup>th</sup> May, 2019
Time	12:00 Noon
Venue	Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380

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**FORM NO. CAA2**  
**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH**  
**COMPANY SCHEME APPLICATION NO 46OF 2019**

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

And

In the matter of Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders

**Gujarat Fluorochemicals Limited,** )  
a Company incorporated under the provisions )  
of the Companies Act, 1956, and having its )  
Registered Office at Survey No 16/3, 26 and )  
27 Village Ranjitnagar, Taluka Ghoghamba, )  
District Panchmahal, Gujarat-389380, India )      **..... Applicant Company**

**NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF THE APPLICANT COMPANY**

To,

All the Secured Creditors of Gujarat Fluorochemicals Limited (the "**Applicant Company or Company**")

**NOTICE** is hereby given that by an Order dated 28<sup>th</sup> March, 2019, in the above mentioned Company Scheme Application (the "**Order**"), the National Company Law Tribunal, Ahmedabad Bench ("**NCLT**" or "**Tribunal**") has directed a Meeting to be held of the Secured Creditors of the Applicant Company for the purpose of considering, and if thought fit, approving with or without modification, the Arrangement embodied in the Scheme of Arrangement between Gujarat Fluorochemicals Limited ("**The Demerged Company**" or '**GFL 1**') and Inox Fluorochemicals Limited ("**The Resulting Company**" or '**GFL 2**') and their respective Shareholders ("**Scheme**").

In pursuance of the said order and as directed therein further Notice is hereby given that a Meeting of Secured Creditors of the Applicant Company will be held at the Registered office of the Company situated at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380 on Saturday, the 11<sup>th</sup> day of May 2019 at 12:00 noon at which time and place you are requested to attend. At the Meeting, the following Resolution will be considered and, if thought fit, will be approved with or without modification(s), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with requisite majority as provided under the Act:

***"RESOLVED THAT** pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as may be applicable, read with related rules thereto as applicable under the Companies Act, 2013 as amended (including any statutory modification or re-enactment or amendment thereof), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017, the observation letters issued by each of BSE Limited dated 15<sup>th</sup> February, 2019 and National Stock Exchange of India Limited dated 18<sup>th</sup> February, 2019 and subject to the relevant provisions of any other applicable laws and enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**NCLT**" or "**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 NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the Arrangement embodied in the Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders ("Scheme") as placed before this Meeting and initialled by the Chairman of the Meeting for the purpose of identification, be and is hereby approved and adopted.*

**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 NCLT 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 questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the Books of Accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper without being required to seek any further approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."*

**TAKE FURTHER NOTICE** that you may attend and vote at the said Meeting in person or through your authorised representative at the Registered Office of the Applicant Company at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India.

Copies of the Scheme, and of the 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, along with the enclosures as indicated in the index, can be obtained free of charge at the Registered Office of the Applicant Company at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India or at the office of its authorised representative, Shri Bhavin Desai, Company Secretary at Gujarat Fluorochemicals Limited, ABS Towers, 2nd Floor, OP Road, Vadodara – 390007

The Tribunal has appointed Mr. Deepak Asher, Director and Group Head (Corporate Finance) and failing him, Mr. Dinesh Kumar Sachdeva, Whole-time Director and failing him, Mr. Anand Majmudar, Advocate 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 of the Tribunal.

A copy of the Explanatory Statement, under Sections 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, the Scheme and the other enclosures as indicated in the index are enclosed.

**Chairperson appointed for the Meeting**

Dated this 14<sup>th</sup> day of November, 2018.

**Registered Office:** Survey No 16/3, 26 and 27 Village Ranjitnagar,  
Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India

**Notes:**

1. Only Secured Creditors of the Applicant Company may attend and vote either in person or in the case of a body corporate by a representative authorised under Section 113 of the Companies Act, 2013 at the Meeting of the Secured Creditors of the Applicant Company. The authorised representative of a body

corporate which is a Secured Creditor of the Applicant Company may attend and vote at the Meeting of the Secured Creditors of the Applicant Company provided a copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend and vote at the Meeting of the Secured Creditors of the Applicant Company, duly certified to be a true copy by a Director, the Manager, the Secretary or other authorised officer of such body corporate, is deposited at the Registered Office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting of the Secured Creditors of the Applicant Company.

2. The Tribunal by its Order dated 28<sup>th</sup> March, 2019 has directed that a meeting of the Secured Creditors of the Applicant Company shall be convened and held at Registered office of the Company situated at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380 on Saturday, the 11<sup>th</sup> day of May 2019 at 12:00 noon for the purpose of considering, and if thought fit, approving, the resolution approving arrangement embodied in the Scheme. Secured Creditors would be entitled to vote in the said meeting either in person or through an authorized representative.
3. The quorum of the Meeting of the Secured Creditors of the Applicant Company shall be 2(Two) Secured Creditors of the Applicant Company, present in person or proxy.
4. Secured Creditors or his authorized representative, attending the Meeting, is requested to bring the Attendance Slip duly completed and signed.
5. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Secured Creditors at the Registered Office of the Applicant Company between 10.00 am and 05.00 pm on all days(except Saturdays, Sundays and public holidays) up to the date of the Meeting.
6. In compliance with the NCLT Order, the Notice is being sent to all the Secured Creditors of the Applicant Company whose names appear as on 28<sup>th</sup> February, 2019.
7. The notice convening the Meeting will be published through advertisement in (i) Business Standard in the English language; and (ii) translation thereof in Divya Bhaskar in Gujarati language.
8. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the Secured Creditors of the Applicant Company,voting in person or through an authorized representative, vote in favour of the Scheme.
9. Mr. Satyanarain Samdani (Membership No F3677 COP No. 2863), Partner of M/s. Samdani Shah & Kabra, Practicing Company Secretaries and failing him Mr. Suresh Kabra, Partner of M/s. Samdani Shah & Kabra, Practicing Company Secretaries (Membership No. A9711) have been appointed as the scrutinizer to conduct the voting at the venue of the Meeting in a fair and transparent manner.
10. The scrutinizer will submit his report to the Chairman of the Meeting after completion of the scrutiny of the votes cast by the Secured Creditors of the Applicant Company at the Meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast at the Meeting will be announced within 48 hours from conclusion of the Meeting. The results, together with the Scrutinizer's Reports, will be displayed at the Registered Office of the Applicant Company, on the website of the Applicant Company, [https://www.gfi.co.in/Scheme\\_of\\_Arrangement\\_Demerger.php](https://www.gfi.co.in/Scheme_of_Arrangement_Demerger.php).

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH  
COMPANY SCHEME APPLICATION NO 46 OF 2019**

In the matter of Companies Act, 2013;

And

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

And

In the matter of Scheme of Arrangement between  
Gujarat Fluorochemicals Limited ('The Demerged  
Company' or 'GFL 1') and Inox Fluorochemicals  
Limited ('The Resulting Company' or 'GFL 2') and their  
respective Shareholders

<b>Gujarat Fluorochemicals Limited,</b>	)	
a company incorporated under the provisions	)	
of the Companies Act, 1956, and having its	)	
Registered Office at Survey No 16/3,	)	
26 and 27, Village Ranjitnagar, Taluka Ghoghamba,	)	
District Panchmahal, Gujarat-389380	)	<b>..... Applicant Company</b>

**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, ARRANGEMENT AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE NCLT CONVENED MEETING OF THE SECURED CREDITORS OF THE APPLICANT COMPANY**

1. Pursuant to an Order dated 28<sup>th</sup> March, 2019 passed by the National Company Law Tribunal, Ahmedabad Bench ("NCLT" or "Tribunal") in the Company Application no. 46/230-232/NCLT/AHM/2019, a Meeting of the Secured Creditors of Gujarat Fluorochemicals Limited (hereinafter referred to as "**Applicant Company**" or "**Demerged Company**" or "**GFL 1**" or "**Company**") is being convened and held at Registered office of the Company situated at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380 on Saturday, 11<sup>th</sup> May, 2019. at 12:00 noon for the purpose of considering and if thought fit, approving with or without modifications the proposed Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 ('**the Scheme**').
2. The draft Scheme was placed before the Audit Committee and Board of Directors of the Applicant Company at their Meeting held on 14<sup>th</sup> day of November, 2018. In accordance with the provisions of SEBI Circular No.CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017, the Audit Committee of the Company vide a resolution passed on 14<sup>th</sup> day of November, 2018 recommended the Scheme to the Board of Directors of the Applicant Company *inter-alia* taking into account:
  - a) The Share Entitlement Report issued by Walker Chandiook & Co LLP dated 13<sup>th</sup> day of November, 2018 for issue of shares pursuant to the Scheme;
  - b) The Fairness Opinion issued by Keynote Corporate Services Limited, an independent Category I Merchant Banker dated 13<sup>th</sup> day of November, 2018 on the fairness of the Valuation Report;
  - c) Statutory Auditors' certificate dated 13<sup>th</sup> day of November, 2018 issued by Kulkarni and Company, Chartered Accountants, Statutory Auditors of the Applicant Company, in relation to the accounting treatment prescribed in the Scheme.



3. Copy of the Share Entitlement Report and the Fairness Opinion are enclosed to this Notice.
4. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Applicant Company had come to the conclusion that the Scheme is in the interest of the Applicant Company and its Shareholders. A copy of the Scheme, as approved by the Board of Directors of the respective companies, is enclosed herewith to this Notice

5. **BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:**

**Gujarat Fluorochemicals Limited (“Applicant Company” or “Demerged Company” or “GFL 1” or “Company”)**

- a) Gujarat Fluorochemicals Limited was incorporated as a Public Limited Company on 4<sup>th</sup> February, 1987 under the name ‘Gujarat Fluorochemicals Limited’. Name of the Applicant Company was changed to ‘Gujarat Fluorochemicals Limited’ vide fresh certificate of incorporation consequent upon change of name dated 9<sup>th</sup> January, 1990. There has been no further change in the name of the Applicant Company in the last five (5) years. The Corporate Identification Number of the Applicant Company is L24110GJ1987PLC009362. Permanent Account Number of the Applicant Company is AAACG6725H. Email id of the Applicant Company is [bvdesai@gfl.co.in](mailto:bvdesai@gfl.co.in).
- b) The Registered Office of the Applicant Company is situated at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380, India. There has been no further change in the Registered Office address of the Applicant Company in the last five (5) years
- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of the Applicant Company as on 31<sup>st</sup> March, 2018 are as under:

Particulars	Amount (Rs.)
<b>Authorized Share Capital</b>	
20,00,00,000 Equity Shares of Re. 1/- each	20,00,00,000
<b>TOTAL</b>	<b>20,00,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
10,98,50,000 Equity Shares of Re. 1/- each	10,98,50,000
<b>TOTAL</b>	<b>10,98,50,000</b>

The shares of the Applicant Company are currently listed on BSE Limited and National Stock Exchange of India Limited.

- d) The Applicant Company is engaged in the business of manufacturing of chemicals, fluoropolymers, refrigerants etc. It also carries on other business through its investments in group companies, including Inox Wind Limited (“IWL”) engaged in the business of providing wind energy solutions and in Inox Leisure Limited (“ILL”) engaged in the Entertainment business. Shares of IWL and ILL are also listed on the BSE Limited and the National Stock Exchange of India Limited.
- e) The objects for which the Applicant Company has been established are set out in its Memorandum of Association. The extracts of the main objects of the Applicant Company are set out hereunder:

**A. THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE**

1. *To carry on the business of manufacture, store, process, buy, sell, distribute, market, export, import or otherwise deal in refrigerant gases of all types including chlorofluoro carbon, refrigerant gases, their mixtures, hydrofluoric acid, by products and derivatives,*

*fluorine products, polymers and organic and inorganic compounds and intermediates and to manufacture, assemble, fabricate, repair and maintain apparatus, equipments, plant, machinery and devices used in manufacture, transportation, delivery and application of all kinds of gases including hydrofluoric acid, refrigerant gases, their derivatives, compounds and by-products.*

2. *To carry on the business of manufacture, store, export, import, buy, sell, market, distribute or otherwise deal in all kinds of gases and their residual and by-products, intermediates, organic and inorganic chemicals and chemical products and compounds and of plant, machinery and equipment and raw materials used in the manufacture of any of the aforesaid products.*

**Inox Fluorochemicals Limited (“Resulting Company” or “GFL 2”)**

- a) Inox Fluorochemicals Limited was incorporated as a Public Limited Company under the Companies Act, 2013 on 6<sup>th</sup> day of December, 2018. There has been no further change in the name of the Resulting Company since its incorporation. The Corporate Identification Number of the Resulting Company is U24304GJ2018PLC105479. Permanent Account Number of GFL 2 is AAFCI0903C. Email id of GFL 2 is bvdesai@gfl.co.in.
- b) The Registered Office of the Resulting Company situated at the time of incorporation was Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380, India.
- c) The details of the issued, subscribed and paid-up share capital of GFL 2 as on 6<sup>th</sup> December, 2018 are as under:

Particulars	In Rupees
<b>Authorised Capital</b>	
1,00,000 Equity shares of Re.1 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
1,00,000 Equity shares of Re.1 each	1,00,000
<b>Total</b>	<b>1,00,000</b>

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Resulting Company.

- d) The Resulting Company is engaged in the business of manufacturing of chemicals, fluoropolymers, refrigerants etc.
- e) The objects for which the Resulting Company has been established are set out in its Memorandum of Association. The extract of the main objects of the Resulting Company are set out hereunder:

**A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE AS UNDER:-**

1. *To carry on the business of manufacture, store, process, buy, sell, distribute, market, export, import or otherwise deal in refrigerant gases of all types including refrigerant gases, their mixtures, hydrofluoric acid, by products and derivatives, fluorine products, polymers and organic and inorganic compounds and intermediates and to manufacture, assemble, fabricate, repair and maintain apparatus, equipments, plant, machinery and devices used in manufacture, transportation, delivery and application of all kinds of gases including*

*hydrofluoric acid, refrigerant gases, their derivatives, compounds and by-products.*

2. *To carry on the business of manufacture, store, export, import, buy, sell, market, distribute or otherwise deal in all kinds of gases and their residual and by-products, intermediates, organic and inorganic chemicals and chemical products and compounds and of plant, machinery and equipment and raw materials used in the manufacture of any of the aforesaid products.*
3. *To carry on in India, or elsewhere, in collaboration or otherwise, the business of manufacturers of and dealers in caustic soda, chlorine, chloromethanes, hydrochloric acids, chlorinated products and all the chemicals, chemical compounds (organic and inorganic) in all forms, and chemical products of any nature and kind whatsoever, and all by-products and joint products thereof.*

## 6. **BACKGROUND OF THE SCHEME**

The Scheme *inter-alia* provides for the following:

- (i) Demerger of the Chemical Business Undertaking from the Demerged Company to the Resulting Company;
- (ii) Cancellation of equity shares held by the Demerged Company in the Resulting Company; and
- (iii) Issue of equal number of equity shares by the Resulting Company to the Shareholders of the Demerged Company.

## 7. **RATIONALE OF THE SCHEME**

The Scheme is proposed to achieve the following benefits:

- a. Segregation of Businesses: GFL 1 is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL 1 is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL 1 are distinct and diverse in its business characteristics with different risk and return profiles, and capital and operational requirements. Thus the Scheme will help in segregating different businesses having different risk and return profiles, thus providing investors with better flexibility to select investments which best suit their investment strategies and risk profile.
- b. Administrative efficiencies: The Management of GFL 1 believes that the Scheme will result in economies in business operations, provide optimal utilization of resources and greater administrative efficiencies.
- c. Focused growth strategy: The Scheme will allow the management to have a focused growth strategy for each of the businesses.
- d. Investment opportunity: The Management of GFL 1 believes that there may be a segment of investors who may wish to invest only in the Chemical business. These investors are presently deprived of the opportunity of investing in only a Chemical business, and the implementation of the Scheme will provide them with this opportunity.
- e. Unlocking value: The proposed demerger of the Chemical business will unlock value for the existing Shareholders.

## 8. **SALIENT FEATURES OF THE SCHEME**

Salient features of the Scheme are set out as below:

- This Scheme of Arrangement is presented under Sections 230-232 of the Companies Act, 2013

and other applicable provisions of the Companies Act, 2013, as may be applicable, for demerger of Chemical Business Undertaking of Gujarat Fluorochemicals Limited with Inox Fluorochemicals Limited.

- “Appointed Date” means 1<sup>st</sup> April, 2019;
- “Effective Date” or “coming into effect of this Scheme” or “upon the Scheme becoming effective” or “effectiveness of the Scheme” means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by GFL 1 and GFL 2 with the jurisdictional Registrar of Companies;
- Upon the Scheme becoming effective and upon vesting of the Chemical Business Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the Shareholders of the Demerged Company whose name appears in the Register of Members of the Demerged Company as on Record Date (as may be decided by the Board of Directors of Resulting Company), their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:

*“ 1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re. 1 each fully paid up held in the Demerged Company.”*

- Upon the issue of shares by the Resulting Company in accordance with Scheme, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment. Accordingly, the share capital of the Resulting Company shall stand reduced to the extent of the face value of shares held by the Demerged Company and its nominees upon the issue of shares by the Resulting Company in accordance with the Scheme.
- The Demerged Company and Resulting Company shall account for the Scheme in their respective books / financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including the treatment as provided in the Scheme
- The difference, if any, between the Net Assets and Transferred Reserves (transferred pursuant to clause 7.1.3) pertaining to the Chemical Business Undertaking demerged from Demerged Company pursuant to this Scheme shall be adjusted against the balance in General Reserves or Retained Earnings of the Demerged Company.
- All costs, charges, taxes including duties, levies and all other expenses, if any, (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

## 9. APPROVALS

- 9.1. Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. The Applicant Company has received the observation letters from BSE dated 15<sup>th</sup> February, 2019 and NSE dated 18<sup>th</sup> February, 2019 conveying their no-objection to the Scheme

("Observation Letters"). Copies of the aforesaid Observation Letters are enclosed herewith.

9.2. BSE and NSE vide their Observation Letters have advised that SEBI has given following comments on the Scheme of Arrangement:

- a. *Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the websites of the listed company.*
- b. *Company shall duly comply with various provisions of the Circulars.*
- c. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the Company is obliged to bring the observations to the notice of NCLT.*
- d. *The Company shall ensure that the applicable information pertaining to unlisted companies - Inox Fluorochemicals Limited is included in abridged prospectus as per specified format.*
- e. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft Scheme by SEBI/ stock exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

9.3. As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE on 15<sup>th</sup> January, 2019 and NSE on 31<sup>st</sup> day of January, 2019. A copy of the aforementioned Complaints Report are enclosed herewith.

#### 10. CAPITAL STRUCTURE PRE AND POST ARRANGEMENT

The pre-Arrangement capital structure of the Applicant Company is mentioned in paragraph 6 above. Post the Arrangement capital structure of the Applicant Company would be the same. Post Arrangement, the equity shares held by the Demerged Company in the Resulting Company shall stand cancelled and as a consideration for the Arrangement similar number of shares will be issued to the Equity Shareholders of the Demerged Company.

The pre-Arrangement capital structure of the Demerged Company is mentioned in paragraph 6 above. Post the Arrangement, the capital structure of the Resulting Company shall be as under:

Particulars	Amount (Rs.)
<b>Authorized Share Capital</b>	
20,00,00,000 Equity Shares of Re. 1/- each	20,00,00,000
<b>TOTAL</b>	<b>20,00,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
10,98,50,000 Equity Shares of Re. 1/- each	10,98,50,000
<b>TOTAL</b>	<b>10,98,50,000</b>

#### 11. PRE AND POST ARRANGEMENT SHAREHOLDING PATTERN

11.1. The pre and post Arrangement shareholding pattern of the Applicant Company as on 31<sup>st</sup> December, 2018 is as follows:

Particulars		Pre-Arrangement		Post-Arrangement	
Sl. No.	Description	No. of shares	%	No. of shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
	<b>Individuals/ Hindu Undivided Family</b>				
	Vivek Kumar Jain	20100	0.02	20100	0.02
	Devendra Kumar Jain	20100	0.02	20100	0.02
	Pavan Kumar Jain	20100	0.02	20100	0.02
	Siddharth Jain	20000	0.02	20000	0.02
	Devansh Jain	10000	0.01	10000	0.01
	Kapoor Chand Jain	10000	0.01	10000	0.01
	Nandita Jain	10000	0.01	10000	0.01
	Hem Kumari	10000	0.01	10000	0.01
	Nayantara Jain	10000	0.01	10000	0.01
	Sita Devi*	6000	0.01	6000	0.01
	<b>Any Other (specify) Bodies Corporate</b>				
	Inox Leasing And Finance Limited	57715310	52.54	57715310	52.54
	Devansh Trademart LLP	6662360	6.06	6662360	6.06
	Inox Chemicals LLP	2955230	2.69	2955230	2.69
	Siddhapavan Trading LLP	5576440	5.08	5576440	5.08
	Siddho Mal Trading LLP	2019260	1.84	2019260	1.84
	<b>Sub Total(A)(1)</b>	<b>75064900</b>	<b>68.33</b>	<b>75064900</b>	<b>68.33</b>
<b>2</b>	<b>Foreign</b>				
	<b>Sub Total(A)(2)</b>	Nil	N.A.	Nil	N.A.
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>75064900</b>	<b>68.33</b>	<b>75064900</b>	<b>68.33</b>
<b>(B)</b>	<b>Public shareholding</b>				
<b>B1)</b>	<b>Institutions</b>				
	Mutual Funds	3775163	3.44	3775163	3.44
	<i>HDFC Small Cap Fund</i>	<i>2181819</i>	<i>1.99</i>	<i>2181819</i>	<i>1.99</i>
	Foreign Portfolio Investors	4626717	4.21	4626717	4.21
	<i>Fil Investments(Mauritius)ltd</i>	<i>1243605</i>	<i>1.13</i>	<i>1243605</i>	<i>1.13</i>
	Financial Institutions/ Banks	100042	0.09	100042	0.09
	<b>Sub Total (B)(1)</b>	<b>8501922</b>	<b>7.74</b>	<b>8501922</b>	<b>7.74</b>

Particulars		Pre-Arrangement		Post-Arrangement	
Sl. No.	Description	No. of shares	%	No. of shares	%
<b>B2)</b>	Central Government/ State Government(s)/ President of India	100	0.00	100	0.00
	<b>Sub Total (B)(2)</b>	<b>100</b>	<b>0.00</b>	<b>100</b>	<b>0.00</b>
<b>B3)</b>	<b>Non-institutions</b>				
	Individual Shareholders holding nominal share capital up to Rs. 2 lakhs.	7785935	7.09	7785935	7.09
	Individual Shareholders holding nominal share capital in excess of Rs. 2 lakhs.	4122845	3.75	4122845	3.75
	NBFCs registered with RBI	166301	0.15	166301	0.15
	Any Other (Specify)	14207997	12.93	14207997	12.93
	IEPF	331687	0.30	331687	0.30
	Clearing Members-Category	187105	0.17	187105	0.17
	Trust	150	0.00	150	0.00
	NRI	620050	0.56	620050	0.56
	Foreign Nationals	334	0.00	334	0.00
	HUF	2645814	2.41	2645814	2.41
	Bodies Corporate	10422857	9.49	10422857	9.49
	<i>Aadi Financial Advisors Llp</i>	<i>1270831</i>	<i>1.16</i>	<i>1270831</i>	<i>1.16</i>
	<i>Blue Daimond Properties Private Limited</i>	<i>1219251</i>	<i>1.11</i>	<i>1219251</i>	<i>1.11</i>
	<i>Bhanshali Manek Huf</i>	<i>1354943</i>	<i>1.23</i>	<i>1354943</i>	<i>1.23</i>
	<b>Sub-Total (B)(3)</b>	<b>26283078</b>	<b>23.93</b>	<b>26283078</b>	<b>23.93</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B) (1)+(B)(2)+(B)(3)</b>	<b>34785100</b>	<b>31.67</b>	<b>34785100</b>	<b>31.67</b>
<b>(C1)</b>	Shares underlying DRs	Nil	N.A.	Nil	N.A.
<b>(C2)</b>	Shares held by Employee Trust	Nil	N.A.	Nil	N.A.
<b>(C)</b>	Non Promoter-Non Public	Nil	N.A.	Nil	N.A.
	<b>GRAND TOTAL</b>	<b>109850000</b>	<b>100</b>	<b>109850000</b>	<b>100</b>

\*Post 31<sup>st</sup> December, 2018, Ms. Sita Devi has sold her shares and the Company has made necessary disclosures for the same.

11.2. The pre and post Arrangement shareholding pattern of the Resulting Company as on 6<sup>th</sup> December, 2018 is as follows:

Particulars		Pre-Arrangement		Post-Arrangement	
Sl. No.	Description	No. of shares	%	No. of shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
	<b>Individuals/ Hindu Undivided Family</b>				
	Vivek Kumar Jain	100**	0.10	20100	0.02
	Devendra Kumar Jain	-	-	20100	0.02
	Pavan Kumar Jain	100**	0.10	20100	0.02
	Siddharth Jain	-	-	20000	0.02
	Devansh Jain	100**	0.10	10000	0.01
	Kapoor Chand Jain	-	-	10000	0.01
	Nandita Jain	-	-	10000	0.01
	Hem Kumari	-	-	10000	0.01
	Nayantara Jain	-	-	10000	0.01
	Sita Devi*	-	-	6000	0.01
	Deepak Ranjit Asher	100**	0.10	-	-
	Dinesh Kumar Sachdeva	100**	0.10	-	-
	Mukesh Patni	100**	0.10	-	-
	<b>Any Other (specify) Bodies Corporate</b>				
	Gujarat Fluorochemicals Limited	99400	99.40	-	-
	Inox Leasing And Finance Limited	-	-	57715310	52.54
	Devansh Trademart LLP	-	-	6662360	6.06
	Inox Chemicals LLP	-	-	2955230	2.69
	Siddhapavan Trading LLP	-	-	5576440	5.08
	Siddho Mal Trading LLP	-	-	2019260	1.84
	<b>Sub Total(A)(1)</b>	<b>100000</b>	<b>100</b>	<b>75064900</b>	<b>68.33</b>
<b>2</b>	<b>Foreign</b>				
	<b>Sub Total(A)(2)</b>	Nil	N.A.	Nil	N.A.
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>100000</b>	<b>100</b>	<b>75064900</b>	<b>68.33</b>
<b>(B)</b>	<b>Public shareholding</b>				
<b>B1)</b>	<b>Institutions</b>				
	Mutual Funds	-	-	3775163	3.44
	<i>HDFC Small Cap Fund</i>	-	-	2181819	1.99
	Foreign Portfolio Investors	-	-	4626717	4.21



Particulars		Pre-Arrangement		Post-Arrangement	
Sl. No.	Description	No. of shares	%	No. of shares	%
	<i>Fil Investments(Mauritius)ltd</i>	-	-	1243605	1.13
	Financial Institutions/ Banks	-	-	100042	0.09
	<b>Sub Total B1</b>	Nil	N.A.	<b>8501922</b>	<b>7.74</b>
<b>B2)</b>	Central Government/ State Government(s)/ President of India	-	-	100	0.00
	<b>Sub-Total (B)(2)</b>	Nil	N.A.	<b>100</b>	<b>0.00</b>
<b>B3)</b>	<b>Non-institutions</b>				
	Individual Shareholders holding nominal share capital up to Rs. 2 lakhs.	-	-	7785935	7.09
	Individual Shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	4122845	3.75
	NBFCs registered with RBI	-	-	166301	0.15
	Any Other (Specify)	-	-	14207997	12.93
	IEPF	-	-	331687	0.30
	Clearing Members-Category	-	-	187105	0.17
	Trust	-	-	150	0.00
	NRI	-	-	620050	0.56
	Foreign Nationals	-	-	334	0.00
	HUF	-	-	264581427	2.41
	Bodies Corporate	-	-	10422857	9.49
	<i>Aadi Financial Advisors Llp</i>	-	-	1270831	1.16
	<i>Blue Daimond Properties Private Limited</i>	-	-	1219251	1.11
	<i>Bhanshali Manek Huf</i>	-	-	1354943	1.23
	<b>Sub-Total (B)(3)</b>	Nil	N.A.	<b>26283078</b>	<b>23.93</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B) (1)+(B)(2)+(B)(3)</b>	Nil	N.A.	<b>34785100</b>	<b>31.67</b>
<b>(C1)</b>	Shares underlying DRs	Nil	N.A.	Nil	N.A.
<b>(C2)</b>	Shares held by Employee Trust	Nil	N.A.	Nil	N.A.
<b>(C)</b>	Non Promoter-Non Public	Nil	N.A.	Nil	N.A.
	<b>GRAND TOTAL</b>	<b>100000</b>	<b>100</b>	<b>109850000</b>	<b>100</b>

\*Post 31<sup>st</sup> December, 2018, Ms. Sita Devi has sold her shares and the Company has made necessary disclosures for the same.

\*\* Nominee Shareholders of the Applicant Company i.e. Gujarat Fluorochemicals Limited

## 12. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

12.1. The Directors and Key Managerial Personnel (KMP) and their respective relatives of the Applicant Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Applicant Company, or to the extent the said Directors/KMP are the

partners, directors, Members of the companies, firms, association of persons, bodies corporate and/ or beneficiary of trust that hold shares in the Applicant Company. Save as aforesaid, none of the Directors, Managing Director or the Manager or KMP of the Applicant have any material interest in the Scheme.

12.2. The details of the present directors and KMP of the Applicant Company and their respective shareholdings in the Applicant Company and the Resulting Company as on 31<sup>st</sup> December, 2018 are as follows:

<b>Name of Directors / KMP</b>	<b>Designation</b>	<b>Equity Shares of Re. 1/- each in the Applicant Company</b>	<b>Equity Shares of Re. 1/- each in the Resulting Company</b>
Chandra Prakash Jain	Director	-	-
Shanti Prashad Jain	Director	-	-
Devendra Kumar Jain	Director	20,100	-
Vivek Kumar Jain	Managing Director	20,100	100*
Pavan Kumar Jain	Director	20,100	100*
Deepak Ranjit Asher	Director	-	100*
Dinesh Kumar Sachdeva	Whole time Director	-	100*
Shailendra Swarup	Director	-	-
Om Prakash Lohia	Director	-	-
Rajagopalan Doraiswami	Director	-	-
Vanita Bhargava	Director	-	-
Anand Rambhau Bhusari	Whole time Director	-	-
Bhavin Vipin Desai	Company Secretary	-	-
Manoj Shripati Agarwal	CFO (KMP)	-	-

\* Nominee Shareholders of the Applicant Company i.e. Gujarat Fluorochemicals Limited

12.3. The details of the present directors and KMP of the Resulting Company and their respective shareholdings in the Resulting Company and the Applicant Company as on 31<sup>st</sup> December, 2018 are as follows:

<b>Name of Directors / KMP</b>	<b>Designation</b>	<b>Equity Shares of Re. 1/- each in the Resulting Company</b>	<b>Equity Shares of Re. 1/- each in the Applicant Company</b>
Chandra Prakash Jain	Director	-	-
Shanti Prashad Jain	Director	-	-
Devendra Kumar Jain	Director	-	20,100
Vivek Kumar Jain	Director	100**	20,100
Pavan Kumar Jain	Director	100**	20,100
Deepak Ranjit Asher	Director	100**	-
Dinesh Kumar Sachdeva	Whole time Director	100**	-
Shailendra Swarup	Director	-	-
Om Prakash Lohia	Director	-	-
Rajagopalan Doraiswami	Director	-	-
Vanita Bhargava	Director	-	-
Anand Rambhau Bhusari	Whole time Director	-	-

\*\* Nominee Shareholders of the Applicant Company i.e. Gujarat Fluorochemicals Limited

### 13. GENERAL

- 13.1. As on the date of this notice, the Applicant Company is the Holding Company of the Resulting Company and all the Directors of the Applicant Company are also the Directors of Resulting Company.
- 13.2. The Applicant Company and the Resulting Company have made joint application before the National Company Law Tribunal, Ahmedabad Bench for the sanction of the Scheme under Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.
- 13.3. The amount due from the Applicant Company to its Secured Creditors as on 31<sup>st</sup> December, 2018 is Rs. 1,44,24,41,950.84 (Rupees One Hundred and Forty Four Crores Twenty Four Lacs Forty One Thousand Nine Hundred Fifty and Eighty Four paisa only).
- 13.4. The amount due from the Applicant Company to its Unsecured Creditors as on 31<sup>st</sup> December, 2018 is Rs. 9,54,36,18,053.82 (Rupees Nine Hundred and Fifty Four Crores Thirty Six Lacs Eighteen Thousand Fifty Three and Eighty Two paisa only).
- 13.5. The amount due from the Resulting Company to its Secured Creditors as on 31<sup>st</sup> December, 2018 is Rs. NIL.
- 13.6. The amount due from the Resulting Company to its Unsecured Creditors as on 31<sup>st</sup> December, 2018 is Rs. NIL.
- 13.7. In relation to the Meeting of the Applicant Company, Secured Creditors of the Applicant Company whose names are appearing in the records of the Applicant Company as on 28<sup>th</sup> February, 2019 shall be eligible to attend and vote at the Meeting of the Secured Creditors of the Applicant Company either in person or by proxies or authorized representative convened as per the directions of the Tribunal.
- 13.8. Under the Scheme, there is no Arrangement with the creditors of the Applicant Company. No compromise is offered under the Scheme to any of the creditors of the Applicant Company. The liability to the creditors of the Applicant Company, under the Scheme, is neither reduced nor being extinguished.
- 13.9. None of Directors and KMPs of the Applicant Company or their respective relatives is in any way connected or interested in the aforesaid resolution except to the extent of their respective shareholding, if any.
- 13.10. 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 Company.
- 13.11. The Applicant Company and the Resulting 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, Securities Exchange Board of India, BSE Limited, The National Stock Exchange of India Limited and Income-tax authorities as may be applicable and it will obtain the same at the relevant time.
- 13.12. 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 null and void.

13.13.Names and addresses of the Directors and Promoters of the Applicant Company are as under:

Sl. No.	Name of Director	Address
1.	Chandra Prakash Jain	396-C, Sheikh Sarai Phase-I New Delhi 110017 Delhi India
2.	Shanti Prashad Jain	J-57, Ashok Vihar, Phase -1 Delhi 110052 Delhi India
3.	Devendra Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
4.	Vivek Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
5.	Pavan Kumar Jain	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
6.	Deepak Ranjit Asher	17/1,Utkanth Society, B/H-Alkapuri Club, Alkapuri Vadodara 390007 Gujarat India
7.	Dinesh Kumar Sachdeva	BP-2, Vrajdeep Apartments, Opp. Rokadnath Soc. Race Course, Vadodara 390007 Gujarat India
8.	Shailendra Swarup	127, Sunder Nagar New Delhi 110003 India
9.	Om Prakash Lohia	R-69, Greater Kailash Part-1 New Delhi 110048 India
10.	Rajagopalan Doraiswami	6123, Embassy Pristine, Iblur, B/H Suncity Apartment, Bellandur, Bengaluru 560103 Karnataka India
11.	Vanita Bhargava	C-322, First Floor Defence Colony, New Delhi 110024 India
12.	Anand Rambhau Bhusari	E-1, Sector-1, Near Gokul Guest-House, Petrochemicals Township, Vadodara 391345 Gujarat India

Sl. No.	Name of Promoter	Address
1.	Vivek Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
2.	Devendra Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
3.	Pavan Kumar Jain	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
4.	Siddharth Jain	94, Benzer Terrace , Sea Face Worli, Mumbai 400018, Maharashtra, India
5.	Devansh Jain	47, Golf Links New Delhi 110003 Delhi India
6.	Kapoor Chand Jain	C/o Siddhomal Paper Convesion Co, 611 Kailash Building, 26 KG Marg, New Delhi 110001
7.	Nandita Jain	47, Golf Links New Delhi 110003 Delhi India
8.	Hem Kumari	C/o Siddhomal Paper Convesion Co, 611 Kailash Building, 26 KG Marg, New Delhi 110001
9.	Nayantara Jain	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
10.	Sita Devi	36, Golf Links New Delhi 110003 India
11.	Inox Leasing And Finance Limited	69, Jolly Maker Chambers Nariman Point Mumbai – 400021, Maharashtra India
12.	Devansh Trademart LLP	Inox Group,612-618 Narain Manzil 06th Floor, 23, Barakhamba Road New Delhi Central Delhi - 110001 India
13.	Inox Chemicals LLP	Inox Group,612-618 Narain Manzil 06th Floor, 23, Barakhamba Road New Delhi Central Delhi - 110001 India
14.	Siddhapavan Trading LLP	Inox Group. 612-618 Narain Manzil. 6th Floor 23 Barakhamba Road New Delhi New Delhi - 110001 India
15.	Siddho Mal Trading LLP	Inox Group,612-618 Narain Manzil 06th Floor, 23, Barakhamba Road New Delhi Central Delhi - 110001 India

13.14.Names and addresses of the directors and promoters of the Resulting Companyare as under:

SI. No.	Name of Director	Address
1.	Chandra Prakash Jain	396-C, Sheikh Sarai Phase-I New Delhi 110017 Delhi India
2.	Shanti Prashad Jain	J-57, Ashok Vihar, Phase -1 Delhi 110052 Delhi India
3.	Devendra Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
4.	Vivek Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
5.	Pavan Kumar Jain	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
6.	Deepak Ranjit Asher	17/1,Utkanth Society, B/H-Alkapuri Club, Alkapuri Vadodara 390007 Gujarat India
7.	Dinesh Kumar Sachdeva	BP-2, Vrajdeep Appartments, Opp. Rokadnath Soc. Race Course, Vadodara 390007 Gujarat India
8.	Shailendra Swarup	127, Sunder Nagar New Delhi 110003 Delhi India
9.	Om Prakash Lohia	R-69, Greater Kailash Part-1 New Delhi 110048 Delhi India
10.	Rajagopalan Doraiswami	6123, Embassy Pristine, Iblur, B/H Suncity Appartment, Bellandur, Bengaluru 560103 Karnataka India
11.	Vanita Bhargava	C-322, First Floor Defence Colony, New Delhi 110024 Delhi India
12.	Anand Rambhau Bhusari	E-1, Sector-1, Near Gokul Guest-House, Petrochemicals Township, Vadodara 391345 Gujarat India

SI. No.	Name of Promoter	Address
1.	Gujarat Fluorochemicals Limited	Survey No 16/3, 26 and27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India
2.	Vivek Kumar Jain*	47, Golf Links New Delhi 110003 Delhi India
3.	Deepak Ranjit Asher*	17/1,Utkanth Society, B/H-Alkapuri Club, Alkapuri Vadodara 390007 Gujarat India
4.	Pavan Kumar Jain*	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
5.	Dinesh Kumar Sachdeva*	BP-2, Vrajdeep Appartments, Opp. Rokadnath Soc. Race Course, Vadodara 390007 Gujarat India
6.	Devansh Jain*	47, Golf Links New Delhi 110003 Delhi India
7.	Mukesh Patni*	113, Shikha Apartment, 48 IP Extension, Patparganj, Delhi - 110092

\*Nominee shareholders holding shares on behalf of Gujarat Fluorochemicals Limited.

13.15.Details of Directors of the Applicant Company who voted in favour / against / did not participate on resolution passed at the Meeting of the Board of Directors of the Applicant Company held on 14<sup>th</sup> November,2018are given below:

SI. No.	Name of Director	Voted in favour / against / did not participate
1.	Chandra Prakash Jain	Favour
2.	Shanti Prashad Jain	Favour
3.	Devendra Kumar Jain	Favour
4.	Vivek Kumar Jain	Favour

5.	Pavan Kumar Jain	Leave of Absence
6.	Deepak Ranjit Asher	Favour
7.	Dinesh Kumar Sachdeva	Leave of Absence
8.	Shailendra Swarup	Favour
9.	Om Prakash Lohia	Favour
10.	Rajagopalan Doraiswami	Favour
11.	Vanita Bhargava	Leave of Absence
12.	Anand Rambhau Bhusari	Leave of Absence

13.16. Details of directors of the Resulting Company who voted in favour / against / did not participate on resolution passed at the Meeting of the Board of Directors of the Resulting Company held on 12<sup>th</sup> December, 2018 are given below:

Sl. No.	Name of Director	Voted in favour / against / did not participate
1.	Chandra Prakash Jain	Favour
2.	Shanti Prashad Jain	Favour
3.	Devendra Kumar Jain	Favour
4.	Vivek Kumar Jain	Favour
5.	Pavan Kumar Jain	Leave of Absence
6.	Deepak Ranjit Asher	Favour
7.	Dinesh Kumar Sachdeva	Leave of Absence
8.	Shailendra Swarup	Favour
9.	Om Prakash Lohia	Favour
10.	Rajagopalan Doraiswami	Leave of Absence
11.	Vanita Bhargava	Favour
12.	Anand Rambhau Bhusari	Leave of Absence

13.17. For the purpose of Scheme of Arrangement of the Applicant Company and the Resulting Company and their Shareholders, M/s Walker Chandiook & Co. LLP, have recommended the share entitlement ratio of allotment of equity shares. Accordingly, 1 (one) equity share shall be issued by the Resulting Company for 1 (one) equity share held in the Applicant Company as on the Record Date to the Shareholders of the Applicant Company. Keynote Corporate Services Limited, a Category I Merchant Banker after having reviewed the share entitlement report of M/s Walker Chandiook & Co. LLP and on consideration of all the relevant factors and circumstances, opined that in their view the independent valuer's proposed share allotment is fair.

13.18. A report adopted by the Directors of the Applicant Company, explaining effect of the Scheme on each class of Shareholders, key managerial personnel, promoters and non-promoter Shareholders, laying out in particular the share allotment, is attached here with. The Applicant 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 Applicant Company are concerned.

13.19. A copy of the Supplementary Unaudited Financial Statement of the Applicant Company as on 31<sup>st</sup> December, 2018 and the Audited Financial Statement of the Resulting Company as on 12<sup>th</sup> December, 2018 are attached herewith.

13.20. As stated in the Scheme, all the permanent staff, workmen and employees of the Applicant Company engaged in or in relation to the Chemical business undertaking who are in service as on

the Effective Date shall become staff, workmen and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment shall not be less favorable than those applicable to them with reference to their employment with the respective Demerged Company as on the Effective Date.

13.21. The following documents will be open for inspection to the Secured Creditors of the Applicant Company at its Registered Office at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India, between 10.00am and 05.00 pm on all days (except Saturdays, Sundays and public holidays) upto the date of the Meeting:

- (i) Copy of the order passed by the NCLT in Company Scheme Application No. 46/NCLT/AHM/2019 dated 28<sup>th</sup> March, 2019 of the Applicant Company and the Resulting Company;
- (ii) Copy of the Company Scheme Application No. 46 of 2019 along with annexures filed by the Applicant Company and the Resulting Company before NCLT;
- (iii) Copy of the Memorandum and Articles of Association of the Applicant Company and the Resulting Company, respectively;
- (iv) Copy of the Annual Reports of the Applicant Company for the financial year ended 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018;
- (v) Copy of the Supplementary Unaudited Financial Statement of the Applicant Company for the period ended 31<sup>st</sup> December, 2018 and the Audited Financial Statement of the Resulting Company for the period ended 12<sup>th</sup> December, 2018;
- (vi) Copy of the Register of Directors', shareholding of the Applicant Company and the Resulting Company, respectively;
- (vii) Copy of Share Entitlement Report, dated 13<sup>th</sup> day of November, 2018 submitted by M/s Walker Chandiok & Co. LLP;
- (viii) Copy of the Fairness Opinion, dated 13<sup>th</sup> day of November, 2018, issued by Keynote Corporate Services Limited, to the Board of Directors of the Applicant Company;
- (ix) Copy of the Audit Committee Report, dated 14<sup>th</sup> day of November, 2018, of the Applicant Company;
- (x) Copy of the resolutions, dated 14<sup>th</sup> day of November, 2018 passed by the Board of Directors of the Applicant Company and dated 12<sup>th</sup> day of December, 2018 passed by the Board of Directors of the Resulting Company approving the Scheme;
- (xi) Copy of the extracts of the minutes of the Meetings, held on 14<sup>th</sup> day of November, 2018 and 12<sup>th</sup> day of December, 2018, of the Board of Directors of the Applicant Company and the Resulting Company, respectively, in respect of the approval of the Scheme;
- (xii) Copy of the Statutory Auditors' certificate dated 13<sup>th</sup> day of November, 2018 issued by M/s. Kulkarni & Company, Chartered Accountants, to the Applicant Company;
- (xiii) Abridged Prospectus as provided in Part D of Schedule VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations including applicable information pertaining to INOX Fluorochemicals Limited;
- (xiv) Copy of the Complaint Reports, dated 15<sup>th</sup> day of January, 2019 and 31<sup>st</sup> January, 2019, submitted by the Applicant Company to BSE and NSE respectively;

- (xv) Copy of the no adverse observations/no objection letter issued by BSE and NSE, dated 15<sup>th</sup> February, 2019 and 18<sup>th</sup> February, 2019, respectively, to the Applicant Company;
- (xvi) Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies along with challan evidencing filing of the Scheme;
- (xvii) Copy of the Scheme; and
- (xviii) Copy of the Reports dated 13<sup>th</sup> February, 2019 and 12<sup>th</sup> December, 2018 adopted by the Board of Directors of the Applicant Company and the Resulting Company, respectively, pursuant to the provisions of Section 232(2) (c) of the Act.

This Statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016. A copy of this Scheme and Explanatory Statement may be obtained free of charge on any working day (except Saturdays, Sundays and public holidays) prior to the date of the Meeting, from the Registered Office of Applicant Company.

**Chairman appointed for the Meeting**

Dated this 14<sup>th</sup> day of November, 2018.

**Registered Office:** Survey No 16/3, 26 and 27, Village Ranjitnagar,  
Taluka Ghoghamba, District Panchmahal, Gujarat – 389380.



**SCHEME OF ARRANGEMENT  
BETWEEN  
GUJARAT FLUOROCHEMICALS LIMITED ('THE DEMERGED COMPANY' OR 'GFL1')  
AND  
INOX FLUOROCHEMICALS LIMITED ('THE RESULTING COMPANY' OR 'GFL 2')  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

**A) Preamble**

1. This Scheme of Arrangement ('Scheme') is presented under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, for demerger of the Chemical business of GFL 1 into the Resulting Company.
2. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**B) Rationale for the Scheme**

The Scheme shall achieve the following benefits:

- Segregation of Businesses: GFL 1 is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL 1 is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL 1 are distinct and diverse in its business characteristics with different risk and return profiles, and capital and operational requirements. Thus the scheme will help in segregating different businesses having different risk and return profiles, thus providing investors with better flexibility to select investments which best suit their investment strategies and risk profile.
- Administrative efficiencies: The management of GFL 1 believes that the scheme will result in economies in business operations, provide optimal utilization of resources and greater administrative efficiencies.
- Focused growth strategy: The scheme will allow the management to have a focused growth strategy for each of the businesses.
- Investment opportunity: The management of GFL 1 believes that there may be a segment of investors who may wish to invest only in the Chemical business. These investors are presently deprived of the opportunity of investing in only a Chemical business, and the implementation of the scheme will provide them with this opportunity.
- Unlocking value: The proposed demerger of the Chemical business will unlock value for the existing shareholders.

Hence, the scheme would be in the best interest of all the stakeholders.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of GFL 1. The Scheme would be in the best interest of all stakeholders in GFL 1.

**C) Parts of the Scheme**

The Scheme is divided into following parts:

- a) **Part A** deals with the Definitions and Share Capital;

- b) **Part B** deals with the demerger of the Chemical Business Undertaking (as defined hereinafter) into the Resulting Company;
- c) **Part C** deals with the General Terms and Conditions.

## PART A:

### DEFINITIONS AND SHARE CAPITAL

1. In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:
  - 1.1. **“Act” or “the Act”** means the Companies Act, 2013 and Rules framed thereunder as in force from time to time;
  - 1.2. **“Applicable Law”** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force;
  - 1.3. **“Appointed Date”** means 1<sup>st</sup> April, 2019 or such other date as may be fixed by the National Company Law Tribunal or the Board of Directors (as defined hereinafter);
  - 1.4. **“Appropriate Authority”** means any applicable Central, State or local Government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Regional Director, Registrar of Companies, National Company Law Tribunal and Reserve Bank of India;
  - 1.5. **“Board of Directors” or “Board”** in relation to the Demerged Company and the Resulting Company, as the case may be, means the Board of Directors of such company, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the Board or by any such committee;
  - 1.6. **“Demerged Company” or “GFL 1”** means Gujarat Fluorochemicals Limited, a company incorporated under the Companies Act, 1956 and validly subsisting under the Companies Act, 2013, and having its registered office at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat - 389380 India;
  - 1.7. **“Chemical Business Undertaking”** shall mean undertaking, business, activities and operations pertaining to business of manufacturing of chemicals of the Demerged Company comprising of all the assets (movable, immovable, tangible and / or intangible) and liabilities which relate thereto, or are necessary therefore and including specifically the following:
    - (a) All assets, title, properties (including leasehold land), interests, investments (including investments in subsidiaries, associates, joint ventures, shares, bonds, debentures, fixed deposits, mutual funds, alternate investment funds, other funds of any category or type, and art works etc. of the Demerged Company), loans, advances (including accrued interest) and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held for use in business, activities and operations, including but not limited to all land together with the buildings and structures standing thereon and rights and interests in all Land more specifically described in **Schedule I**, Factory and Office Building(s), equipment's, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, vehicles, deposits, all

stocks, assets, balances with banks, cash and cash equivalents, all customer contracts, contingent rights, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits (net of provisions there against), MAT credit whether or not recorded in the books, unabsorbed depreciation, unabsorbed business tax losses, credit for service tax, sales tax / value added tax / goods and service tax and / or any other statutes, incentives, if any, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc. pertaining to its Chemical Business Undertaking (collectively, the “Chemical Business Undertaking Assets”);

- (b) All debts (secured or unsecured), liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or un-asserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), deferred tax liability, etc. pertaining to the Chemical Business Undertaking activities (collectively, “Chemical Business Undertaking Liabilities”) and for the avoidance of doubts, it excludes guarantees, assurances, commitments and obligations issued or undertaken by the Demerged Company to the banks and / or financial institutions for any business other than the Chemical Business Undertaking);
- (c) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, relating to the undertaking, business, activities and operations pertaining to the Chemical Business Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, minimum alternate taxes, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to its Chemical Business Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Chemical Business Undertaking , and all other rights, title, interests, privileges and benefits of every kind in relation to its Chemical Business Undertaking (collectively, “Chemical Business Undertaking Contracts”);
- (d) All registrations, brands, trademarks, trade names, service marks, copyrights, patents (except the patents applications made by/patents under the Patents Act, 1970, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Demerged Company in the Chemical Business Undertaking (collectively, “Chemical Business Undertaking IP”);
- (e) All permits, licenses(including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), environmental clearances, No Objection Certificates, Consent Orders, etc., consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, issued by any legislative, executive, or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local, administrative or judicial authority exclusively used or held for use by the Demerged Company in the undertaking, business,

activities and operations pertaining to the Chemical Business Undertaking (collectively, “Chemical Business Undertaking Licenses”);

- (f) All such permanent employees of the Demerged Company, employees/personnel engaged on contract basis and contract labourers and interns/ trainees, both on-shore and off-shore, as are primarily engaged in or in relation to the Chemical Business Undertaking, business, activities and operations pertaining to the Chemical Business Undertaking, at its respective offices, branches etc., and any other employees/personnel and contract labourers and interns/trainees hired by the Demerged Company after the date hereof who are exclusively engaged in or in relation to the Chemical Business Undertaking, business, activities and operations pertaining to the Chemical Business Undertaking (collectively, “Chemical Business Undertaking Employees”);
- (g) All liabilities present and future (including contingent liabilities pertaining to or relatable to the Chemical Business Undertaking of the Demerged Company), as may be determined by the Board of the Demerged Company;
- (h) All deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Chemical Business Undertaking of the Demerged Company;
- (i) All books, records, files, papers, directly or indirectly relating to the Chemical Business Undertaking of the Demerged Company, whether kept in electronic form or otherwise, but shall not include any portion of the remaining business of the Demerged Company; and
- (j) Any other asset / liability which is deemed to be pertaining to the Chemical Business Undertaking by the Board of the Demerged Company.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Chemical Business Undertaking or whether it arises out of the activities or operations of the Chemical Business Undertaking shall be decided by mutual agreement between the Board of the Demerged Company and the Resulting Company.

- 1.8. “Effective Date” or “coming into effect of this Scheme” or “upon the scheme becoming effective” or “effectiveness of the scheme”** means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by GFL 1 and GFL 2 with the jurisdictional Registrar of Companies;
- 1.9. “National Company Law Tribunal” or “Tribunal” or “NCLT”** means the National Company Law Tribunal, Ahmedabad Bench as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 of the Companies Act, 2013 of the Companies Act, 2013;
- 1.10. “Record Date”** shall be the date to be fixed by the Board of the Resulting Company in consultation with GFL 1 for the purpose of determining the equity shareholders of GFL 1 to whom Resulting Company would issue equity shares pursuant to this Scheme;
- 1.11. “Reserve pertaining to the Chemical Business Undertaking”** means the reserves of the Demerged Company as on the Appointed Date relating to the Chemical Business Undertaking and transferred as a part of Chemical Business Undertaking;
- 1.12. “Resulting Company” OR GFL2** means Inox Fluorochemicals Limited, company incorporated under the Act under Corporate Identification Number **U24304GJ2018PLC105479** and having registered office at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat - 389380 India. The Resulting Company is a wholly owned subsidiary of GFL 1;

- 1.13. “Scheme” or “the Scheme” or “this Scheme”** means the Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 16 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws;
- 1.14. “SEBI”** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;
- 1.15. “SEBI Circular”** means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and any amendments thereof or modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- 1.16. “Share Entitlement Ratio”** means the ratio in which the equity shares of Resulting Company are to be issued and allotted to the shareholders of GFL 1 on demerger as per Part B of this Scheme;
- 1.17. “Stock Exchanges”** means the BSE Limited (‘BSE’) and/ or wherever applicable, the National Stock Exchange of India Limited (‘NSE’);

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

In the Scheme, unless the context otherwise requires:

- (i) reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme;
- (ii) references to the singular shall include the plural and vice versa and references to any gender includes the other gender;
- (iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Party beyond that which would have existed had this Clause been omitted.

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

- 2.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 16 of the Scheme, shall be effective from the Appointed Date and shall be operative from the Effective Date.

## **3. SHARE CAPITAL**

- 3.1. The authorized, issued, subscribed and paid-up share capital of GFL 1 as on 31<sup>st</sup> March, 2018 is as under:

Particulars	Amount in INR
<b><u>Authorised Capital</u></b>	
200,000,000 Equity Shares of Re. 1/- each	200,000,000
<b>Total</b>	<b>200,000,000</b>
<b><u>Issued, Subscribed and Paid-up</u></b>	
109,850,000 Equity Shares of Re. 1/- each, fully paid up	109,850,000
<b>Total</b>	<b>109,850,000</b>

From March 31, 2018 until the date of the Scheme being approved by the Board of GFL 1, there has been no change in the authorised, issued, subscribed and paid up share capital of GFL 1.

- 3.2. The authorized, issued, subscribed and paid-up share capital of GFL 2 as on 06<sup>th</sup> December 2018 is as under:

<b>Particulars</b>	<b>Amount in INR</b>
<b><u>Authorised Capital</u></b>	
100,000 Equity Shares of Re. 1/- each	100,000
<b>Total</b>	<b>100,000</b>
<b><u>Issued, Subscribed and Paid-up</u></b>	
100,000 Equity Shares of Re. 1/- each, fully paid up	100,000
<b>Total</b>	<b>100,000</b>

### **PART B:**

#### **DEMERGER OF THE CHEMICAL BUSINESS UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

#### **4. TRANSFER AND VESTING OF THE CHEMICAL BUSINESS UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

4.1. The Chemical Business Undertaking of the Demerged Company as defined in Clause 1.7 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

4.1.1. All Chemical Business Undertaking Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme and its filing with the Registrar of Companies concerned shall stand vested in the Resulting Company and shall be deemed to be and become the property and as an integral part of the Resulting Company by operation of law. The vesting order and sanction of the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting through the Resulting Company and as the context may provide, by physical or constructive delivery or novation, or by endorsement and delivery, or by mere operation of the vesting order and its record or registration with the Registrar in accordance with the Act, as appropriate to the nature of the movable property vested. Upon the Scheme becoming effective the title to such property shall be deemed to have been mutated and recognized as that of the Resulting Company.

4.1.2. All Chemical Business Undertaking Assets that are other movable properties, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting order and by operation of law become the property of the Resulting Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Resulting Company and any document of title pertaining to the assets of the Chemical Business Undertaking shall also be deemed to have been mutated and recorded as titles of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title

of such movable property in this regard.

- 4.1.3. All immovable properties of the Chemical Business Undertaking (including but not limited to the immovable properties mentioned in Schedule I), including owned land, lease hold land, together with the buildings and structures standing thereon and rights and interests in immovable properties of the Chemical Business Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme, and its filings with the concerned Registrar of Companies. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of law. The Resulting Company shall simultaneous with the filing and registration of the order of the NCLT sanctioning the Scheme be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable properties. Upon the Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government shall suffice as record of continuing titles with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable properties in this regard. It is hereby clarified that all the rights, title and interest of the Chemical Business Undertaking in any lease & license, leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company.
- 4.1.4. Notwithstanding anything contained in this Scheme, in respect of the immovable properties pertaining to the Chemical Business Undertaking of the Demerged Company, whether owned or leased, the Board of the Resulting Company may determine, for the purpose inter alia of payment of stamp duty, and vesting unto the Resulting Company and if the Board of the Resulting Company so decide, the concerned parties, whether executed before or after the Effective Date, shall execute and register or cause so as to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty, shall be deemed to be conveyed at a consideration being the ready-reckoner value of such properties. The execution of such conveyance shall form an integral part of the Scheme.
- 4.1.5. All Chemical Business Undertaking Liabilities including debts, liabilities (including deferred tax liability), contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed or not in the balance sheets of the Demerged Company shall stand vested in the Resulting Company and shall upon the scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. 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.
- 4.1.6. The transfer and vesting as aforesaid of the debts / liabilities shall be subject to the existing charges/ hypothecation/ mortgages, if any, as may be subsisting and created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements with respect to Chemical Business Undertaking to which the Demerged Company

is a party wherein the assets of the Chemical Business Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to those assets pertaining to the Chemical Business Undertaking and vested in the Resulting Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any other assets, if any of the Resulting Company

Provided that the Scheme shall not operate to enlarge the security for the said liabilities relating to the Chemical Business Undertaking which shall vest in Resulting Company by virtue of the Scheme and the Resulting Company shall not be obliged to create any further, or additional security thereof after the demerger has become effective or otherwise. The transfer/ vesting of the assets of the Chemical Business Undertaking as aforesaid shall be subject to the existing charges/ hypothecation/ mortgages over or in respect of the assets or any part thereof of the Chemical Business Undertaking.

4.1.7. All Chemical Business Undertaking Contracts including contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the Chemical Business of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Chemical Business Undertaking, or to the benefit of which Chemical Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) of the Resulting Company. Such properties and rights described here in above shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if, it were the Demerged Company, as the Resulting Company is its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts and properties, shall be deemed to have been entered in and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be its substituted party or beneficiary or obligor thereto. In relation to the same any procedural requirements required to be fulfilled solely by the Demerged Company (and not by any of its successors), shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Demerged Company relating to or benefiting at present the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Resulting Company, respectively.

4.1.8. Any pending suits/appeals or other proceedings of whatsoever nature relating to the Chemical Business Undertaking of the Demerged Company, whether by or against such Demerged Company, shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of the Chemical Business Undertaking of the Demerged Company into the Resulting Company or of anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue and any prosecution shall be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Demerged Company, as if this Scheme had not been implemented.



- 4.1.9. All the Chemical Business Undertaking employees shall become employees of and be employed / appointed by the Resulting Company pursuant to the vesting order and by operation of law, with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Demerged Company, without any interruption of service as a result of this hiving-off, without any further act, deed or instrument on the part of the Demerged Company or the Resulting Company. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Demerged Company, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of the Demerged Company for such purpose shall be treated as having been continuous.
- 4.1.10. All Chemical Business Undertaking IP including registrations, goodwill, licenses, brands, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks pertaining to the Chemical Business Undertaking of the Demerged Company, if any, shall stand vested in the Resulting Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon filing of the order of the NCLT sanctioning the Scheme, with the Registrar of Companies concerned. Any other intellectual property rights (not specifically covered above) presently held by the Demerged Company, that relates to or benefit at present the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate intellectual property rights and the necessary substitution/ endorsement shall be made and duly recorded in the name of the Demerged Company and the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT.
- 4.1.11. All taxes payable by or refundable to or relatable to the Chemical Business Undertaking of the Demerged Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives including but not limited to benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits (net of provisions there against), MAT credit whether or not recorded in the books, unabsorbed depreciation, unabsorbed business tax losses, credit for service tax, sales tax / value added tax / goods and service tax and / or any other statutes, incentives, if any, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc. as would have been available to Chemical Business Undertaking of the Demerged Company, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.
- 4.1.12. All Chemical Business Undertaking Licenses including approvals, consents, exemptions, Unique Identification Numbers, Legal Entity Identification Number, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), environmental clearances, No Objection Certificates, Consent Orders, approvals, etc., and certificates of every kind and description whatsoever in relation to the Chemical Business Undertaking, or to the benefit of which the Chemical Business Undertaking may be eligible/ entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for

the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of the Resulting Company, and shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Demerged Company, but relate to or benefitting the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the drawn up order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

- 4.1.13. Benefits of any and all corporate approvals as may have already been taken by the Demerged Company with respect to the Chemical Business Undertaking, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 180, 185, 186, 188, etc; of the Act read with the rules and regulations made there under, shall stand vested in the Resulting Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Resulting Company.
- 4.1.14. All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company in relation to the Chemical Business Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand vested in or be deemed to have been vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.
- 4.1.15. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented or issued for encashment which are in the name of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, after the Effective Date shall

be accepted by the bankers of the Resulting Company and credited / debited to the account of the Resulting Company, if presented or issued by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued by or in the name of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case maybe, continued by or against the Resulting Company after coming into effect of the Scheme.

4.1.16. This Part of the Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date, 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(19AA) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

## **5. CONSIDERATION**

5.1. Upon the Scheme becoming effective and upon vesting of the Chemical Business Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on Record Date (as may be decided by the Board of Directors of Resulting Company), their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:

*“ 1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re.1 each fully paid up held in the Demerged Company.”*

5.2. In the event that the Demerged Company/ the Resulting Company restructures its equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Entitlement Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

5.3. The Resulting Company shall take necessary steps to increase or alter or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.

5.4. The shares to be issued and allotted as above shall be subject to the Scheme and in accordance with the Memorandum and Articles of Association of the Resulting Company.

5.5. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.

5.6. The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Resulting Company.

- 5.7. The issue and allotment of equity shares as provided in Clause 5.1, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, as the case may be, pursuant to the aforesaid Clause 5.1.
- 5.8. The Resulting Company shall to the extent required, increase its authorized share capital to facilitate issue of equity shares under this Scheme. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 and 232 of the Act shall be deemed to be the approval under Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.
- 5.9. The equity shares shall be issued in dematerialized form, to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the Demerged Company and / or its Registrar before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and/or its Registrar before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.
- 5.10. Inter-company holding, if any, as on the Appointed Date, between the Demerged Company and the Resulting Company, shall be cancelled pursuant to this Scheme.
- 5.11. The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government/Regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the Demerged Company pursuant to Clause 5.1 of the Scheme.
- 5.12. The equity shares issued and/or allotted pursuant to Clause 5.1, in respect of such of the equity shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by Resulting Company.
- 5.13. The equity shares to be issued by the Resulting Company to the members of the Demerged Company pursuant to Clause 5.1 of this Scheme will be listed and/or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as applicable) on all the Stock Exchanges on which shares of the Demerged Company are listed on the Effective Date. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Resulting Company for complying with the formalities / requirements of the said Stock Exchanges. The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchanges. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges. The Resulting Company shall not issue/ reissue any other shares under this Scheme, except as expressly stated herein below..

- 5.14. The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals, if any, from or intimate the concerned regulatory authorities, including the Reserve Bank of India, for the issue and allotment of equity shares by the Resulting Company to the non-resident/foreign citizen equity shareholders of the Demerged Company. The Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable the Resulting Company to issue and allot equity shares to the non-resident/foreign citizen equity shareholders of the Demerged Company.
- 5.15. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 42, 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.
- 5.16. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company shall be deemed to have the approval for the purpose of effecting the above amendments under Sections 13, Section 14 and other applicable provisions of the Act and no further resolutions would be required to be separately passed in this regard.

**6. REDUCTION OF SHARE CAPITAL HELD BY THE DEMERGED COMPANY IN THE RESULTING COMPANY**

- 6.1. Upon the issue of shares by the Resulting Company in accordance with Clause 5.1 above, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment. Accordingly, the share capital of the Resulting Company shall stand reduced to the extent of the face value of shares held by the Demerged Company and its nominees upon the issue of shares by the Resulting Company in accordance with Clause 5.1 above.
- 6.2. The cancellation of share capital shall be effected as an integral part of the Scheme and the Resulting Company shall not be required to add "And Reduced" as suffix to its name consequent to such reduction.

**7. ACCOUNTING TREATMENT**

The Demerged Company and Resulting Company shall account for the Scheme in their respective books/ financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below

**7.1. In the Books of the Demerged Company:-**

- 7.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall reduce the book value of all assets, liabilities and reserves pertaining to the Chemical Business Undertaking of Demerged Company from its books of accounts.
- 7.1.2. Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company, if any, relating to the Chemical Business Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 7.1.3. The Demerged Company, as on the Appointed Date, shall transfer the balances of all the reserves (except Capital Redemption Reserve) to the Resulting Company, in the proportion of Net Assets transferred to the Resulting Company and Net Assets retained by the Demerged Company ("Transferred Reserves"). The Transferred Reserves shall consist of the entire balance of Capital Reserve and Cash Flow Hedge Reserve, part or the entire balance of General Reserve as may be required and balance, if any, from Retained Earnings.

- 7.1.4. The Capital Redemption Reserve and part of General Reserve and / or Retained Earnings not forming part of Transferred Reserves pursuant to clause 7.1.3 shall be retained by the Demerged Company.
- 7.1.5. The difference, if any, between the Net Assets and Transferred Reserves(transferred pursuant to clause 7.1.3) pertaining to the Chemical Business Undertaking demerged from Demerged Company pursuant to this Scheme shall be adjusted against the balance in General Reserves or Retained Earnings of the Demerged Company.
- 7.1.6. Investments in the equity share capital of the Resulting Company as on the Appointed Date will stand cancelled and be debited to Retained Earnings.

*For the purpose of this Clause, Net Assets would mean difference between the book value of assets and liabilities as on the Appointed Date.*

## **7.2. In the Books of the Resulting Company:-**

Upon the Scheme becoming effective and with effect from the Appointed Date, GFL 2 shall account for the Chemical Business Undertaking in its books in accordance with "Pooling of Interest Method" of accounting as per Indian Accounting Standard (Ind AS) 103 (Business Combination) prescribed under section 133 of the Companies Act, 2013, which is applicable to GFL 2 since this is a common control business combination. It would inter alia include the following:

- 7.2.1. The Resulting Company shall record the assets and liabilities pertaining to the Chemical Business Undertaking, transferred to and vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Demerged Company;
- 7.2.2. Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Chemical Business Undertaking, if any, will stand cancelled and there shall be no further obligation / outstanding in that behalf;
- 7.2.3. The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the equity shares issued by it to the members of the Demerged Company pursuant to Clause 5.1 of this Scheme; and
- 7.2.4. The identity of the reserves (including Capital Reserve, Cash Flow Hedge Reserve, General Reserve and Retained Earnings, as may be applicable) transferred by GFL 1 to GFL 2 pertaining to the Chemical Business Undertaking of GFL 1 pursuant to clause 7.1.3 above shall be preserved and vested in it and shall appear in the financial statements of GFL 2 in the same form and manner, in which they appeared in the financial statements of GFL 1, prior to Scheme becoming effective.
- 7.2.5. Upon coming into effect of the Scheme, the pre-demerger shareholding of the Demerged Company in the Resulting Company shall be cancelled and the amount of such share capital, as stands cancelled, be credited to Capital Reserve.
- 7.2.6. The difference between the Net Assets transferred from Demerged Company pursuant to Clause 7.2.1 and aggregate of the share capital issued pursuant to Clause 7.2.3, the Transferred Reserves and after giving effect to inter-company balances, if any, as per Clause 7.2.2, shall be adjusted against Capital Reserve transferred from the demerged company in accordance with accounting principles prescribed in Ind AS 103.

*For the purpose of this Clause, Net Assets would mean difference between the book value of assets and liabilities as on the Appointed Date.*

## **8. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

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

- (a) The Demerged Company shall carry on and be deemed to have carried on the business and activities in relation to Chemical Business Undertaking and shall stand possessed of their properties and assets relating to Chemical Business Undertaking for and in trust for the Resulting Company and all the profits/losses accruing on account of the Chemical Business Undertaking shall for all purposes be treated as profits/losses of the Resulting Company.
  - (b) The Demerged Company shall not utilize the profits or income, if any, relating to the Chemical Business Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Resulting Company.
  - (c) The Demerged Company shall not without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Chemical Business Undertaking or any part thereof except in the ordinary course of its business.
  - (d) The Demerged Company shall not vary the existing terms and conditions of service of its permanent employees relating to Chemical Business Undertaking except in the ordinary course of its business or without prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company as the case may be, prior to Effective Date.
- 8.2. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require pursuant to this Scheme.

## **9. STAFF, WORKMEN & EMPLOYEES**

- 9.1. All the permanent employees of the Demerged Company engaged in or in relation to the Chemical Business Undertaking of the Demerged Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Resulting Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately preceding the Effective Date.
- 9.2. Services of the employees of the Demerged Company pertaining to the Chemical Business Undertaking shall be taken into account from the date of their respective appointment with the Demerged Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Demerged Company.
- 9.3. It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company pertaining to the Chemical Business Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company in respect of the employees transferred with the Chemical Business Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance

with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Chemical Business Undertaking of the Demerged Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company or through any committee/person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company.

- 9.4. With effect from the date of filing of this Scheme with NCLT and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Chemical Business Undertaking of the Demerged Company, except with written consent of the Resulting Company.

## **10. LEGAL PROCEEDINGS**

- 10.1. All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date and relating to the Chemical Business Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Any cost pertaining to the said proceedings between the Appointed Date and the Effective date incurred by the Demerged Company shall be reimbursed by the Resulting Company.
- 10.2. After the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the Clause 10.1 above, they shall defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 10.3. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clauses 10.1 or 10.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company.

## **11. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 11.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Chemical Business Undertaking of the Demerged Company, shall continue in full force and effect against or in favor of the Resulting Company and may be enforced effectively by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.
- 11.2. The Resulting Company may, 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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Demerged Company.



## **12. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 4.1 above and the continuance of proceedings by or against the Resulting Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in relation to the Chemical Business Undertaking in respect thereto as done and executed on behalf of itself.

## **13. PROFITS AND DIVIDENDS**

13.1. The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending March 31, 2019 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the Demerged Company and the Resulting Company.

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

## **14. CHANGE OF NAME OF THE DEMERGED COMPANY AND THE RESULTING COMPANY**

Upon sanction of this Scheme, the name of the Demerged Company shall automatically stand changed without any further act, instrument or deed on the part of the Demerged Company, to “**GFL Limited**” or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Demerged Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

Upon sanction of this Scheme, the name of the Resulting Company shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to “**Gujarat Fluorochemicals Limited**” or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Resulting Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

## PART D

### GENERAL TERMS AND CONDITIONS

#### **15. APPLICATION TO NCLT**

The Demerged Company and the Resulting Company shall make Applications/Petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to NCLT for sanction of this Scheme under the provisions of law.

#### **16. MODIFICATION OR AMENDMENTS TO THE SCHEME**

The Demerged Company and the Resulting Company, with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions/ deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters, and things necessary for bringing this Scheme into effect or agree to any terms and/or conditions or limitations that NCLT or any other authorities under law may deem fit to approve of, to direct and/or impose. The aforesaid powers of the Demerged Company and the Resulting Company to give effect to the modification/amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of NCLT or any other authorities under the applicable law.

#### **17. CONDITIONS PRECEDENT**

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

17.1.1. The sanction or approval of the Appropriate Authorities including SEBI, Stock Exchanges in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

17.1.2. Approval of the Scheme by the requisite majority in number and value of such class of persons including the respective members and/or creditors, through e-voting and or any other mode as may be required under any Applicable Law, of the Demerged Company and the Resulting Company as required under the Act and as may be directed by NCLT; and

17.1.3. Certified or authenticated copy of the Order of NCLT sanctioning the Scheme being filed with the respective Registrar of Companies by the Demerged Company and the Resulting Company as may be applicable.

17.2. It is hereby clarified that submission of the Scheme to NCLT and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Demerged Company and the Resulting Company may have under or pursuant to all appropriate and Applicable Law.

17.3. On the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme, related matters and this Scheme itself.

#### **18. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION / WITHDRAWAL OF THE SCHEME**

18.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/or the Scheme not being sanctioned by NCLT or such other competent authority and/ or the Order not being passed as aforesaid before March 31, 2020 or within such further period or periods as may be agreed upon between the Demerged Company and the Resulting Company by

their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

18.2. The Demerged Company and the Resulting Company through their respective Board shall each be at liberty to withdraw from this Scheme (i) in case any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them or (ii) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective companies.

18.3. In the event of revocation/withdrawal under Clauses 18.1 and 18.2 above, no rights and liabilities whatsoever shall accrue to or be incurred in-between the Demerged Company and the Resulting 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 Law and in such case, the Demerged Company and the Resulting Company shall bear its own costs, unless otherwise mutually agreed.

#### **19. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any, (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company.

### **SCHEDULE I**

#### **LIST OF IMMOVABLE PROPERTIES OF THE COMPANY**

<b>Sr. no.</b>	<b>Details of Immovable Property</b>	<b>Location</b>	<b>Area</b>
1	Owned Office Building (Land on lease)	Inox Towers, 17, Sector 16-A, Institutional Area, Noida, State Uttar Pradesh	Plot area 43056 sqft Tower A + B - 66870 sqft
2	Owned Office (Land on lease)	612-618, Narain Manzil, 23, Barakhamba Road, New Delhi – 110 003	3798 Sq. ft and four allotted car parking in the building
3	Owned Office (Land on lease)	7 <sup>th</sup> floor, Ceejay House, Dr. Annie Besant Road, Worli, Mumbai 400 018 State Maharashtra	4651 sq feet (super built up area)
4	Office Premises	Survey no 1834 & 1837, ABS Towers, Second Floor, Old Padra Road, Vadodara 390 007, State Gujarat	5405 sqft
5	Office Premises	Survey No 1834 & 1837, ABS Towers, Third Floor, Old Padra Road, Vadodara 390007, State Gujarat	5405 sqft
6	Office Premises	Survey No 1834 & 1837, ABS Towers, Fourth Floor, Old Padra Road, Vadodara 390007, State Gujarat	5405 sqft

7	Other property (Owned)	3, Charotar Society, Old Padra Road, Vadodara 390007, State Gujarat	Plot area 5690 sqft Construction area 5246 sqft
8	Factory Land (Owned)	Survey no 16/3, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	13962 sq. mt
9	Factory Land (Owned)	Survey no 26 & 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	154097 sqmt
10	Factory Land (Owned)	Survey no 25/1 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, , State Gujarat	Hectare Acre 3 -33 Guntha (15415 sqmtr)
11	Factory Land (Owned)	Survey no 25/2 (part) Village Ranjitnagar, Taluka Ghoghamba, District, Panchmahal, State Gujarat	Hectare 0 -99-15 (9915 sqmtr)
12	Factory land (Owned)	Survey no 25/2 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	Hectare 0 -99-15 (9915 sqmtr)
13	Factory land (Owned)	Land bearing Revenue Survey no 71/1 and 72/1 at Village Devpara, Taluka Chotila, District Surenderanagar, State Gujarat	71/1 -2774 sqmt 72/1 – 7714 sqmt.
14	Common Road for use for Land	Land bearing Revenue Survey no 71/1 and 72/1 at Village Devpara, Taluka Chotila, District Surenderanagar, State Gujarat	
15	Factory Land on lease from Gujarat Industrial Development Corporation	Land bearing following located at Dahej Industrial Estate, Taluka Vagra, District Bharuch, State Gujarat	
		1. Industrial Plot no 12-A	410587.78 sqmt
		2. Adjoin plot to Industrial Plot no 12 - A	11750.40sq mt
		3. Industrial Plot no D-2/CH-173	426352.03 sqmt
		4. Industrial Plot no D-2/CH-222	64115.14 sqmt.
		5. Residential Plot no A-49, A 68 and 69	13670.09 sqmt.
		Survey no.135/1, Village Jivapar , Taluka Chotila, Moje Jivapar, State Gujarat (Wind Mill no GGM -113)	4 .0 hectare i.e 40,000 sqmt
		Survey No. 15/2 , Village Sakhpar , Taluka Chotila, Moje Sakhpar, State Gujarat (Wind Mill no GGM 21 )	2.00 hectare i.e. 20,000 sq. mt.
		Survey no.40, Survey No.80/6(part), Survey no.84, Survey No.92, Village Tajpar , TaluklaChotila, MojeTajpar, State Gujarat (Wind Mill no GGM-129)	3.0 hectare 1.0 hectare 1.0 hectare 1.0 hectare Aggregating to 6.00 hectare i.e.60,000 sqmt.

		Survey No.134/2 (part), Village Jivapar, Taluka Chotila, Moje Jivapar (Anandpar) State Gujarat (Wind Mill no GGM –114 & 116 )	4.00 hectare i.e 40,000 sqmt..
		Survey No.24/1, Village Sakhpur, Taluka Chotila, Moje Sakhpar State Gujarat (Wind Mill no GGM -23 & 24)	2.00 hectare i.e 20,000 sqmt..
		Survey No.101/3, Survey No 101/4, Village Golida, Taluka Chotila, Moje Golida State Gujarat (Wind Mill no GGM – 106,107, 108)	2.0 hectare 1.0 hectre Aggregating to 3.00 hectare i.e. 30,000 sqmt.
		Survey No.405/45 (part), Survey No 270, Survey No.405/11 (part), Village Dhokadva, Taluka Chotila, Moje Dhokadva,State Gujarat (Wind Mill no GGM – 134,135,136,137,138,139)	3.0 hectare 3.0 hectare 2.0 hectare Aggregating to 8.00 heactare i.e 80,000 sq. mt.
		Survey No.60/10 (part), Taluka Chotila, Village Anandpar-Bhadla Moje Anandpar – Bhadla ,State Gujarat (Wind Mill no GGM – 89,90,91,92,93,94,,96,97,98)	10.00 hectare i.e. 100,000 sqmt.

**Strictly Private and Confidential**

To  
**The Board of Directors**  
**Gujarat Fluorochemicals Limited**  
Survey No 16/3, 26 27 Ranjitnagar  
Ghoghamba Taluka, Panchmahal  
**Gujarat – 389 380**

**Walker ChandioK & Co LLP**  
16th Floor, Tower II,  
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Mumbai - 400 013  
Maharashtra, India

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Date: 13 November 2018

**Sub: Recommendation of fair Share Entitlement Ratio for the proposed demerger of Chemical Business Undertaking of Gujarat Fluorochemicals Limited into Proposed NewCo.**

Dear Sir / Madam,

We refer to our Engagement Letter dated 13 November 2018 whereby the Management of Gujarat Fluorochemicals Limited ("GFL" or the "Company") has requested Walker ChandioK & Co LLP ("WCC" or the "firm") for a valuation report recommending the Share Entitlement Ratio for the proposed group restructuring of GFL under a Scheme of Arrangement pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 ("Scheme" or "Scheme of Amalgamation"). The appointed date for the Scheme shall be 1 April 2019.

WCC has been hereafter referred to as 'Valuer' or 'we' in this Share Entitlement Ratio Report ('Report').

## **CONTEXT AND PURPOSE**

### **Gujarat Fluorochemicals Limited**

GFL, is a part of the INOX Group, which is diversified across the industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, renewable energy and entertainment sectors. GFL is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, the Company is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses.

GFL along with its subsidiaries operates in the chemicals business along verticals such as refrigerant gases, fluoropolymers, commodity chemicals and speciality fluorochemicals. It is engaged in manufacturing of chloromethanes, refrigerants and Polytetrafluoroethylene in India and caters to clients across the globe.



## Gujarat Fluorochemicals Limited

GFL is listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The registered office of GFL is situated at Survey No 16/3 26 27 Ranjitnagar , Ghoghamba Taluka, Panchmahal Gujarat - 389380 India

The issued and subscribed equity share capital of GFL as on 30 September 2018 was INR 109.8 million consisting of 10,98,50,000 equity shares of face value of INR 1 each. The shareholding pattern as on 30 September 2018 is as follows:

Sr. No.	Shareholder	Percentage
1	Promoter and Promoter Group	68.3%
2	Public	31.7%
	<b>Total</b>	<b>100.0%</b>

## Gujarat Fluorochemicals America LLC USA

Gujarat Fluorochemicals America LLC USA ("GFL USA") is a wholly owned subsidiary of GFL. GFL USA operates in the US market and is primarily engaged in the manufacture, trading and sale of Post Treated PTFE Compounds.

The issued and subscribed equity share capital of GFL USA as on 31 March 2018 was INR 101.2 million.

## Gujarat Fluorochemicals Singapore Pte Limited

Gujarat Fluorochemicals Singapore Pte Limited ("GFL Singapore") is a wholly owned subsidiary of GFL. GFL Singapore has been set up for the purpose of carrying out investment activities.

The issued and subscribed equity share capital of GFL Singapore as on 31 March 2018 was INR 555.3 million consisting of 90,91,000 equity shares of the face value of USD 1 each.

## Gujarat Fluorochemicals GmbH

Gujarat Fluorochemicals GmbH ("GFL Germany") is a wholly owned subsidiary of GFL. GFL Germany operates in the European markets and is primarily engaged in trading of polymer compounds especially, post-treated PTFE.

The issued and subscribed equity share capital of GFL Germany as on 31 March 2018 was INR 2.2 million

## GFL GM Fluorspar SA

GFL GM Fluorspar SA ("GFL GM") is a joint venture company established for the purpose of mining of fluorspar in Morocco. GFL GM is venture between GFL Singapore and Global Mines SARL.



## Gujarat Fluorochemicals Limited

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GFL Singapore holds 1,39,231 equity shares aggregating 74% stake in GFL GM and the balance 48,919 equity shares are held by Global Mines SARL, Morocco as on 31 March 2018.

The issued and subscribed equity share capital of GFL GM as on 31 March 2018 was INR 1350.0 million consisting of 1,88,150 equity shares of the face value of MAD 100 each.

## Chemical Business Undertaking

Chemical Business Undertaking comprises, business, activities and operations pertaining to business of chemicals of GFL, together with the equity shares held by GFL in GFL USA, GFL Singapore, GFL Germany and GFL GM.

## Proposed Demerger

We understand that the Management of GFL (the "Management") is contemplating a group restructuring/ realignment exercise wherein it is proposed that Chemical Business Undertaking of GFL as explained in the aforesaid paragraph will be demerged into a Proposed NewCo, to be incorporated as a subsidiary of GFL ("Proposed Demerger").

In this connection, Walker Chandiook & Co LLP has been requested by the Management to submit a report recommending the ratio of entitlement of equity shares of Proposed NewCo to the shareholders of GFL in connection with the Proposed Demerger for the consideration of the Board of GFL.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

## SOURCES OF INFORMATION

In connection with this exercise, we have considered during our analysis the following information received from the Management and/or gathered from public domain:

1. Shareholding Pattern of GFL as on 30 September 2018.
2. Shareholding Pattern of GFL USA, GFL Singapore, GFL Germany and GFL GM as on 31 March 2018;
3. Financial statement of GFL for the year ended 31 March 2018;
4. Draft Scheme of Arrangement received by us on 12 November 2018;
5. Correspondence with the Management including Management Representation Letter;
6. In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of our analysis.

The Company has been provided with the opportunity to review the draft Report (excluding the recommended Share Entitlement Ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.





## Gujarat Fluorochemicals Limited

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Management has informed us that Keynote Corporate Services Limited have been appointed by GFL, to provide fairness opinion on the Share Entitlement Ratio for the purpose of the aforementioned Proposed Demerger. Further, at the request of the Management, we have had discussions with fairness opinion providers appointed by GFL on the valuation approach.

### SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

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

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than date of the Report.

Our scope is limited to expression of our view on the proposed Share Entitlement Ratio and its impact on the economic interest of the shareholders of GFL and the resulting company. The Report should not be construed as, our opinion or certifying the compliance of the proposed restructuring with the provisions of any law including the Companies Act 1956, Companies Act 2013, FEMA, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Demerger.

This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular, and the information made available to us as of the Valuation Date. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation rendered in this Report only represents our recommendation based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio at which the Proposed Demerger shall take place will be with the Board of Directors of GFL who should take into account other factors such as their own assessment of the Proposed Demerger and input of other advisors.



## Gujarat Fluorochemicals Limited

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In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. In accordance with the terms of our engagement, we have assumed and relied upon, (i) the accuracy of the information that was publicly available and (ii) the accuracy of information made available to us by the Company. As per our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not independently investigated the data provided by the Company. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from GFL, we have been given to understand by GFL that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of GFL. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for technical information furnished by GFL.

Accordingly, we assume no responsibility for any errors in the information furnished by the Management or obtained from public domain and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.

The Management has represented that the business activities have been carried out in the normal and ordinary course as on the Valuation Date for GFL and Chemical Business Undertaking and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.

The Report assumes that GFL, its subsidiaries and JVs comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that all the companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of GFL, its subsidiaries and JVs. Our conclusion of value assumes that the assets and liabilities of GFL, its subsidiaries and JVs, reflected in their respective latest balance sheets remain intact as of the Valuation Date.

This Report does not look into the business/ commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are available.

No investigation / inspection of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.



## Gujarat Fluorochemicals Limited

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The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of GFL who have appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to GFL. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of GFL, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Entitlement Ratio. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

The Report should be used in connection with the Scheme.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the proposed scheme of arrangement, without our prior written consent except for disclosures to be made to relevant regulatory authorities including stock Exchanges, SEBI and National Company Law Tribunal.

This Report does not in any manner address the prices at which equity shares will trade following announcement of the Proposed Demerger and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Demerger.

### **APPROACH - SHARE ENTITLEMENT RATIO FOR PROPOSED DEMERGER**

As per the proposed scheme of arrangement, in consideration of the transfer and vesting of Chemical Business Undertaking of GFL into Proposed NewCo, the Proposed NewCo shall issue & allot equity shares to the equity shareholders of GFL based on the ratio of allotment of shares.

Upon the issue of shares by the Proposed NewCo, the entire existing share capital of the Proposed NewCo held by GFL as on the Effective Date shall stand cancelled without any payment. Accordingly, the share capital of the Proposed NewCo shall stand reduced to the extent of the face value of shares held by GFL upon the issue of shares by the Proposed NewCo.

We understand that, as part of the Scheme, the Chemical Business Undertaking of GFL is proposed to be demerged into Proposed NewCo. Once the Scheme is implemented, all the shareholders of GFL would also become shareholders in the Proposed NewCo, and their shareholding in Proposed NewCo would mirror their shareholding in GFL.



## Gujarat Fluorochemicals Limited

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We further understand that as an effect of demerger, each shareholder of GFL would become owner of shares in two companies instead of one. Post Demerger, the percentage holding of a shareholder in GFL would remain unchanged from the proportion of capital held by such shareholder in GFL.

The management of GFL has further indicated that the shareholding of Proposed NewCo pursuant to the Proposed Demerger of Chemical Business Undertaking into Proposed NewCo would be, effectively, same as the shareholding of GFL (pre-demerger) as the new shares of Proposed NewCo would be issued to the shareholders of GFL in proportion to their shareholding in GFL (pre-demerger). Thus, we understand that the interest of the shareholders in GFL will effectively remain unchanged and therefore from that perspective shareholders interest would not be prejudicially affected. The Scheme does not envisage dilution of the holding of any one or more of shareholders as a result of operation of the Scheme.

### **RECOMMENDATION OF RATIO OF ENTITLEMENT OF EQUITY SHARES FOR THE PROPOSED DEMERGER**

On the basis of the foregoing, any share entitlement ratio can be considered for the above demerger as the proportionate shareholding of any shareholder would not vary. Considering the desired capital structure of Proposed NewCo, the Management has proposed a share entitlement ratio of 1 (One) fully paid equity share of Proposed NewCo of face value of INR 1 each, in exchange of, every 1 (One) fully paid equity share of GFL of face value of INR 1 (One) each in the event of Demerger of Chemical Business Undertaking of GFL into Proposed NewCo.

As proposed by the Management and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, the share entitlement ratio in the event of Demerger of Chemical Business Undertaking of GFL into Proposed NewCo is proposed as follows:

1 (One) fully paid equity share of face value of INR 1 (Rupee One) each of Proposed NewCo for every 1 (One) fully paid equity share of face value of INR 1 (Rupee one) each held in GFL.

We believe that the above share entitlement ratio is fair and reasonable considering that all the shareholders of GFL will upon demerger, be the ultimate beneficial owners of Proposed NewCo in the same ratio (inter se) as they hold shares in GFL, as on the record date.

Yours faithfully,

For **Walker Chandiook & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/ N500013



**Sudhir N. Pillai**

Partner

Membership No: 105782

# Walker Chandiook & Co LLP

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Walker Chandiook & Co LLP  
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**Strictly Private and Confidential**

To  
**The Board of Directors**  
**Gujarat Fluorochemicals Limited**  
Survey No 16/3, 26 27 Ranjitnagar  
Ghoghamba Taluka, Panchmahal  
Gujarat – 389 380

To  
**The Board of Directors**  
**INOX Fluorochemicals Limited**  
2nd Floor, ABS Towers,  
Old Padra Road, Vadodara  
Gujarat - 390007

Date: 11 December 2018

**Sub: Recommendation of fair Share Entitlement Ratio for the proposed demerger of Chemical Business Undertaking of Gujarat Fluorochemicals Limited into Proposed NewCo.**

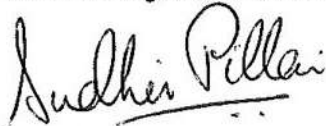
Dear Sir,

This refers to the valuation report dated 13 November, 2018 for the proposed demerger of the Chemical Business Undertaking of GFL into Proposed NewCo. (the "Report") issued by Walker Chandiook & Co LLP ("We" or "WCC").

We are informed based on your email dated 11 December 2018, that the Proposed NewCo. referred in the Report has been incorporated on 6 December 2018 as INOX Fluorochemicals Limited. Accordingly, we confirm that the Report can be used for proposed Scheme of Arrangement by INOX Fluorochemicals Limited.

Please note that all the terms & conditions and caveats as mentioned in the Engagement Letter and Report are applicable to INOX Fluorochemicals Limited.

Yours faithfully,  
For **Walker Chandiook & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No: 001076N/ N500013



**Sudhir N. Pillai**  
Partner  
Membership No: 105782

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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Walker Chandiook & Co LLP is registered with limited liability with Identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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**KEYNOTE**

25  
 YEARS  
 OF CREATING  
**VALUE**  
 THROUGH  
 RELATIONSHIPS  
 AND  
**TRUST**

13<sup>th</sup> November 2018

The Board of Directors,

**Gujarat Fluorochemicals Limited**  
 Survey Number 16/3, 26 and 27,  
 Village Ranjitnagar 389380,  
 Taluka Ghoghamba,  
 District Panchmahal, Gujarat

Dear Sir,

**Reg: Fairness Opinion in connection with the proposed demerger of Chemical Business Undertaking of Gujarat Fluorochemicals Limited ("GFL") into a proposed new company ("Resulting Company")**

Keynote Corporate Services Limited ("Keynote" or "we" or "us") is a Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We understand that the Board of Directors of Gujarat Fluorochemicals Limited is contemplating a Scheme of Arrangement ("Scheme") for the demerger of its Chemical Business Undertaking into its wholly-owned subsidiary (hereinafter referred to as "Resulting Company") pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In connection with the aforesaid, we have been requested by the Board of Directors of GFL to issue a Fairness Opinion as of the date hereof, as to the fairness of the Share Allotment/ Entitlement Ratio to the Equity Shareholders of GFL. We have perused the documents/ information provided by you in respect of the Scheme and the Valuation Report as issued by Walker Chandiok & Co LLP ("WCC") dated 13<sup>th</sup> November 2018 and state as follows:

**Company Profile:**

Gujarat Fluorochemicals Limited (GFL), a subsidiary of Inox Leasing and Finance Limited, and incorporated in 1987, has evolved as a producer of chloromethanes, refrigerants and Polytetrafluoroethylene (PTFE) in India. The Company is a part of the Inox Group, which is diversified across the industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, renewable energy and entertainment sectors. GFL primarily supplied CFC and HCFC to more than 75 countries globally. As CFCs were eventually phased out under the Montreal Protocol, in 2007 the Company forward integrated into PTFE (Poly Tetra Fluoro Ethylene) by commissioning a technologically advanced PTFE facility in Dahej, Gujarat. Shares of GFL are listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE").

GFL also carries on other business through its subsidiaries in India:

1. **Inox Leisure Limited ("ILL"):** National multiplex chain operator, with 509 screens in 127 properties across 64 cities in India, with a total capacity of 1,24,941 seats. Shares of ILL are listed on BSE and NSE.



Page 1 of 4

**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
 Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
 CIN-L67120MH1993PLC072407

2. **Inox Wind Limited (“IWL”)**: Wind turbine manufacturer with a wind turbine manufacturing capacity of 1,600 MW and a cumulative installed base of 2.4 GW. Shares of IWL are also listed on BSE and NSE.
3. **Inox Renewables Limited (“IRL”)**: Wind farming business, Inox Renewables Limited operates wind farms with a total capacity of 31 MW. IRL is a 100% subsidiary of GFL.

**Rationale of the Scheme:**

GFL is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL are distinct and diverse in its business characteristics with different risk and return profiles & capital and operational requirements. The management of GFL believes that the scheme will provide better flexibility to investors to select investments which best suit their investment strategies and risk profile for each of the businesses of GFL. It will also result in economies in business operations; provide optimal utilization of resources and greater administrative efficiencies

In consideration of the demerger of the Chemical Business Undertaking of GFL into the Resulting Company, for every 1 (one) fully paid equity shares of face value of Re. 1/- each held by the shareholders of GFL, 1 (one) fully paid equity share of face value of Re. 1/- each of the Resulting Company shall be issued and allotted (referred to as the “Share Allotment / Entitlement Ratio”).

**Sources of Information:**

For arriving at the Fairness Opinion set forth below, we have relied upon the following sources of information:

- Valuation Report by Walker Chandiok & Co LLP dated 13<sup>th</sup> November 2018;
- Draft Scheme of Arrangement between GFL and Resulting Company and their Respective Shareholders;
- Annual reports for FY 2016-2017 and 2017-2018 of Gujarat Fluorochemicals Limited.

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis.

**Our Recommendation:**

As stated in the Valuation Report by Walker Chandiok & Co LLP, they have recommended the following:

**“1(one) fully paid equity share of Re.1 (Rupees one) each of the Resulting Company for every 1 (one) fully paid equity share of Re.1 (Rupees one) each held in GFL”**

The aforesaid demerger shall be pursuant to the Scheme of Arrangement and shall be subject to receipt of approval from the National Company Law Tribunal or such other competent authority as may be



applicable and other statutory approvals as may be required. The detailed terms and conditions of the demerger are more fully set forth in the Draft Scheme of Arrangement. Keynote has issued the Fairness Opinion with the understanding that Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

**Based on the information, data made available to us, including the Share Allotment Ratio Report, to the best of our knowledge and belief, the Share Allotment/ Entitlement Ratio as recommended by Walker Chandiook & Co LLP in relation to the proposed Draft Scheme of Arrangement is Fair to the equity shareholders of Gujarat Fluorochemicals Limited in our opinion.**

**Exclusions and Limitations:**

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by GFL for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of GFL. We have solely relied upon the information provided to us by GFL. We have not reviewed any books or records of GFL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of GFL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of GFL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by GFL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on this opinion. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of GFL with respect to these matters. In addition, we have assumed that the Draft Scheme of Arrangement will be approved by the regulatory authorities and that the proposed Transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Arrangement.

We understand that the management of GFL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the Transaction that GFL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving GFL or any of its assets, nor did we negotiate with any other party in this regard.



Page 3 of 4

**Keynote Corporate Services Limited**

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CIN-L67120MH1993PLC072407



We have acted as a financial advisor to GFL for providing a Fairness Opinion and will receive a fee for our services.


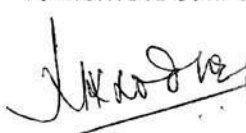
In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may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

The Fairness Opinion is addressed only to the Board of Directors of GFL and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of GFL and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/ or creditors of the Company. The Fairness Opinion should be read in totality and not in parts. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Keynote's prior written consent. If this Fairness Opinion is used by any person other than whom it is addressed or for any purpose other than the purpose state hereinabove, then we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to GFL's underlying decision to effect to the proposed Transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of GFL should vote at their respective meetings, if any, held in connection with the Transaction. We do not express and should not be deemed to have expressed any views on any other terms of Transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of GFL will trade following the announcement of the Transaction or as to the financial performance of GFL following the consummation of the Transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, GFL and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**



**Nipun Lodha**

*Exec. Vice President and Head Corporate Finance*

## Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: [info@keynoteindia.net](mailto:info@keynoteindia.net) • Website: [www.keynoteindia.net](http://www.keynoteindia.net)  
CIN-L67120MH1993PLC072407

# KEYNOTE

To  
The Board of Directors,  
Gujarat Fluorochemicals Limited,  
Survey Number 16/3, 26 and 27,  
Village Ranjitnagar 389380,  
Taluka Ghoghamba,  
District Panchmahal, Gujarat

To  
The Board of Directors,  
INOX Fluorochemicals Limited,  
Survey Number 16/3, 26 and 27,  
Village Ranjitnagar 389380,  
Taluka Ghoghamba,  
District Panchmahal, Gujarat

Date: 11 December, 2018

**Reg:** Recommendation of fair Share Entitlement Ratio for the propose demerger of chemical business undertaking of Gujarat Fluorochemicals Limited ("GFL") into Proposed NewCo.

Dear Sir,

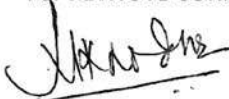
This refers to the Fairness Opinion dated 13 November, 2018 for the proposed demerger of the Chemical Business Undertaking of GFL into Proposed NewCo. ("Fairness Opinion") issued by Keynote Corporate Services Limited ("We" or "KCSL").

We are informed based on your email dated 11 December 2018, that the Proposed NewCo. referred to in the Fairness Opinion has been incorporated on 6 December, 2018 as INOX Fluorochemicals Limited. Accordingly we confirm that the Fairness Opinion can be used for proposed scheme of Arrangement by INOX Fluorochemicals Limited.

Please note that all the terms of the Engagement Letter Dated 13 November, 2018 and the clauses mentioned in the Fairness Opinion remain same and are applicable to INOX Fluorochemicals Limited.

Yours sincerely,

For KEYNOTE CORPORATE SERVICES LTD



**Nipun Lodha**

*Exec. Vice President and Head Corporate Finance*



DCS/AMAL/SV/R37/1407/2018-19

February 15, 2019

The Company Secretary,  
**Gujarat Fluorochemicals Ltd.**  
 Survey No 16/3, 26 & 27, Ranjitnagar,  
 Taluka Ghoghamba, Panchmahal, Gujarat, 389380

Dear Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement between Gujarat Fluorochemicals Limited and Inox Fluorochemicals Limited and their respective shareholders and creditors**

We are in receipt of Draft Scheme of Arrangement between Gujarat Fluorochemicals Limited and Inox Fluorochemicals Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated February 15, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

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

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

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Inox Fluorochemicals Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Inox Fluorochemicals Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
 Registered Office : Floor 25, P1 Towers, Dalal Street, Mumbai 400 001, India  
 T: 191 22 2272 1234/33 | E: corp.com@bseindia.com | www.bseindia.com  
 Corporate Identity Number : L67120MH12005PLC155188

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Inox Fluorochemicals Limited is at the discretion of the Exchange. In addition to the above, the listing of Inox Fluorochemicals Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Inox Fluorochemicals Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information of Inox Fluorochemicals Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Inox Fluorochemicals Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
  - i. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - ii. "There shall be no change in the shareholding pattern of Inox Fluorochemicals Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

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

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

Yours faithfully,



**Nitinkumar Pujari**  
Senior Manager



**Sabah Vaze**  
Associate Manager



## National Stock Exchange Of India Limited

Ref: NSE/LIST/19503

February 18, 2019

The Company Secretary  
Gujarat Fluorochemicals Limited  
Survey No. 16/3, 26, 27,  
Ranjit Nagar 389 380,  
Ghoghamba Taluka  
Gujarat - 389380

**Kind Attn.: Mr. Bhavin V. Desai**

Dear Sir,

**Sub: Observation Letter for Scheme of Arrangement between Gujarat Fluorochemicals Limited and Inox Fluorochemicals Limited and their respective shareholders.**

We are in receipt of the Scheme of Arrangement between Gujarat Fluorochemicals Limited ('Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective shareholders vide application dated December 19, 2018.

Based on our letter reference no Ref: NSE/LIST/72368 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated February 15, 2019, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circular.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *The Company shall ensure that the applicable information pertaining to unlisted companies – Inox Fluorochemicals Limited is included in abridged prospectus as per specified format.*
- e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

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

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

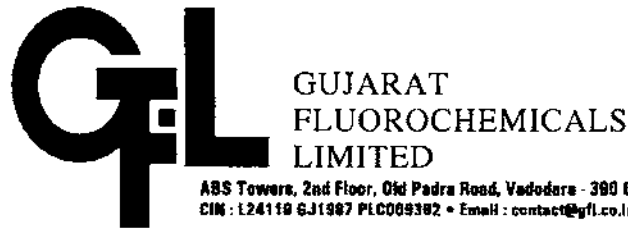
The validity of this “Observation Letter” shall be six months from February 18, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,  
For **National Stock Exchange of India Limited**

Rajendra Bhosale  
Manager

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

Tel.: +91 265 81 98111  
Fax: +91 265 23 10312



Date: 15/01/2019

To  
**Listing Department**  
Department of Corporate Services  
BSE Limited  
P.J. Towers Dalal Street  
Mumbai – 400001  
**BSE script code: 500173**

**Sub:** Submission of Complaints Report as per Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"]

**Ref:** Application no. 88619 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL1") and Inox Fluorochemicals Limited ("the Resulting Company" or "GFL2") and their respective shareholders ("the Scheme").

**Dear Sirs,**

In regards to our captioned application number filed under Regulation 37, please find enclosed herewith the Complaints Report, in the prescribed format for your perusal.

Request you to kindly take the same on your records.

**For Gujarat Fluorochemicals Limited**

*Bm*  
Bhavin Desai  
Company Secretary



Tel.: +91 265 81 88111  
Fax: +91 265 23 10312



GUJARAT  
FLUORO CHEMICALS  
LIMITED

ABS Towers, 2nd Floor, Old Padra Road, Vadodra - 390 007, Gujarat, India  
CIN : L24118 GJ1987 PLC009362 • Email : contact@gfi.co.in • Web: www.gfi.co.in



### Complaints Report

#### Part A

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

#### Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For Gujarat Fluorochemicals Limited

*B. Desai*

Bhavin Desai  
Company Secretary



Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153  
Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610  
Mumbai Office : 68, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, Tel. : +91 (22) 22026314, Fax : +91 (22) 22025588



Tel.: +91 285 61 98111  
Fax: +91 285 23 18312



ABS Towers, 2nd Floor, Old Padra Road, Vadodara - 398 007, Gujarat, India  
CIN : L24118 GJ1987 PLC089362 • Email : contact@gfl.co.in • Web: www.gfl.co.in

Date: 31/01/2019

To,  
Manager – Listing – Compliance Department  
National Stock Exchange of India Limited (NSE)  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400051.  
NSE Symbol: GUJFLUORO

**Sub:** Submission of Complaints Report as per Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"]

**Ref:** Application no. 19503 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL1") and Inox Fluorochemicals Limited ("the Resulting Company" or "GFL2") and their respective shareholders ("the Scheme").

Dear Sirs,

In regards to our captioned application number filed under Regulation 37, please find enclosed herewith the Complaints Report for the period from 9<sup>th</sup> January, 2019 to 30<sup>th</sup> January, 2019, in the prescribed format for your perusal.

Request you to kindly take the same on your records.

For Gujarat Fluorochemicals Limited

Bhavin Desai  
Company Secretary



Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153  
Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, NP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610  
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GUJARAT  
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LIMITED



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**Complaints Report for the period from 9<sup>th</sup> January, 2019 to 30<sup>th</sup> January, 2019**

**Part A**

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

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For Gujarat Fluorochemicals Limited

  
Bhavin Desai  
Company Secretary



Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153  
Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610  
Mumbai Office : 68, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, Tel. : +91 (22) 22026314, Fax : +91 (22) 22025588

Tel.: +91 265 61 88111  
Fax: +91 265 23 10312



GUJARAT  
FLUORO-CHEMICALS  
LIMITED



AGS Towers, 2nd Floor, Old Padra Road, Vadodra - 380 007, Gujarat, India  
CIN : L24110 GJ1987 PLC889382 • Email : contact@gfl.co.in • Web: www.gfl.co.in

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GUJARAT FLUORO-CHEMICALS LIMITED AT ITS MEETING HELD ON FEBRUARY 13, 2019 AT INOX TOWERS, 17, SECTOR 16A, NOIDA 201301 EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS**

The Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL 1") and Inox Fluorochemicals Limited ("the Resulting Company" or "GFL 2") and their respective shareholders ("the Scheme") under Section 230-232 and other applicable provisions of the Companies Act, 2013 was approved by the Board of Directors vide its board resolutions dated 14<sup>th</sup> November, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange/entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provision, following was discussed by the Board of Directors:

1. Based on the Share Entitlement Report dated 13<sup>th</sup> November, 2018 obtained from M/s Walker Chandio & Co. LLP, the Scheme provides the following share entitlement ratio:

***On demerger of the demerged undertaking from the Demerged Company into the Resulting Company***

*"1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re. 1 each fully paid up and held in the Demerged Company"*

2. No special valuation difficulties were reported by M/s Walker Chandio & Co. LLP, in their aforesaid Report.
3. Fairness opinion was obtained from Keynote Capital Services Limited, a Category I Merchant Banker, wherein they opined that the proposed Scheme is fair and reasonable.
4. The promoter and public shareholding of the Company will not be diluted post Scheme and shall remain 68.33% and 31.67% respectively. All inter-company holdings shall stand cancelled, without any further act or deed, upon this Scheme becoming effective.

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Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610  
Mumbai Office : 68, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, Tel. : +91 (22) 22026314, Fax : +91 (22) 22025588

Tel.: +91 265 61 98111  
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GUJARAT  
FLUORO CHEMICALS  
LIMITED



ABS Towers, 2nd Floor, Old Padra Road, Vadodra - 390 007, Gujarat, India  
CIN : L24118 GJ1997 PLC008302 • Email : contact@gfl.co.in • Web : www.gfl.co.in

5. As stated in the Scheme, upon the issue of shares by the Resulting Company in accordance with the Scheme, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment.
6. As stated in the Scheme, upon sanction of this Scheme, the name of the Demerged Company shall automatically stand changed without any further act, instrument or deed on the part of the Demerged Company, to "GFL Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Demerged Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
7. As stated in the Scheme, upon sanction of this Scheme, the name of the Resulting Company shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to "Gujarat Fluorochemicals Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Resulting Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
8. As stated in the Scheme, all the permanent staff, workmen and employees of the Demerged Company engaged in or in relation to the Chemical business undertaking who are in service as on the Effective Date shall become staff, workmen and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment shall not be less favorable than those applicable to them with reference to their employment with the respective transferor companies as on the Effective Date.

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9. The new equity shares of the Resulting Company to be issued to shareholders of GFL 1 will be listed for trading on the stock exchanges where the existing shares of the Demerged Company are listed.
10. Under the Scheme, there is no arrangement with the creditors of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability to the creditors of the Company, under the Scheme, is neither reduced nor being extinguished.
11. The Scheme would not have any effect on Key Managerial Personnel of the Company.
12. There will be no adverse effect of the said Scheme on the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, creditors, employees and other stakeholders of the Company.

For GUJARAT FLUOROCHEMICALS LIMITED

**Bhavin Desai**  
**Company Secretary**

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# INOX Fluorochemicals Limited

ABS Towers, 2<sup>nd</sup> Floor, Old Padra Road, Vadodara 390 007  
Telephone: +91 (265) 6198111 Fax : +91 (265) 2310 312

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF INOX FLUORO-CHEMICALS LIMITED AT ITS MEETING HELD ON WEDNESDAY, 12TH DECEMBER, 2018 AT THE CORPORATE OFFICE OF THE COMPANY EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS.**

The Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL 1") and INOX Fluorochemicals Limited ("the Resulting Company" or "GFL 2") and their respective shareholders ("the Scheme") under Section 230-232 and other applicable provisions of the Companies Act, 2013 was approved by the Board of Directors vide its board resolutions dated 12<sup>th</sup> December, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange/entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provision, following was discussed by the Board of Directors:

1. Based on the Share Entitlement Report dated 13<sup>th</sup> November, 2018 obtained from M/s Walker Chandiook & Co. LLP and their letter in this regard dated 11<sup>th</sup> December, 2018, the Scheme provides the following share entitlement ratio:

***On demerger of the demerged undertaking from the Demerged Company into the Resulting Company***

*"1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re. 1 each fully paid up and held in the Demerged Company"*

2. No special valuation difficulties were reported by M/s Walker Chandiook & Co. LLP, in their aforesaid Report.
3. Fairness opinion was obtained from Keynote Capital Services Limited, a Category I Merchant Banker, wherein they opined that the proposed Scheme is fair and reasonable.

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CIN: U24304GJ2018PLC105479*



# INOX Fluorochemicals Limited

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4. The promoter and public shareholding of the Company, post the Scheme will be 68.33% and 31.67% respectively. All inter-company holdings shall stand cancelled, without any further act or deed, upon this Scheme becoming effective.
5. As stated in the Scheme, upon the issue of shares by the Resulting Company in accordance with the Scheme, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment.
6. As stated in the Scheme, upon sanction of this Scheme, the name of the Demerged Company shall automatically stand changed without any further act, instrument or deed on the part of the Demerged Company, to "GFL Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Demerged Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
7. As stated in the Scheme, upon sanction of this Scheme, the name of the Resulting Company shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to "Gujarat Fluorochemicals Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Resulting Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
8. As stated in the Scheme, all the permanent staff, workmen and employees of the Demerged Company engaged in or in relation to the Chemical business undertaking who are in service as on the Effective Date shall become staff, workmen and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment shall not be less favorable than those applicable to

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them with reference to their employment with the respective transferor companies as on the Effective Date.

9. The new equity shares of the Resulting Company to be issued to shareholders of GFL 1 will be listed for trading on the stock exchanges where the existing shares of the Demerged Company are listed.
  
10. Under the Scheme, there is no arrangement with the creditors of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability to the creditors of the Company, under the Scheme, is neither reduced nor being extinguished.
  
11. The Scheme would not have any effect on Key Managerial Personnel of the Company.
  
12. There will be no adverse effect of the said Scheme on the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, creditors, employees and other stakeholders of the Company.

**For Innox Fluorochemicals Limited**

Dinesh Kumar Sachdeva  
Director

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**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS  
(AS PROVIDED IN PART E OF SCHEDULE VI OF THE ICDR REGULATIONS, 2018)**

This Document contains information pertaining to unlisted entity involved in the proposed Scheme of Arrangement among Gujarat Fluorochemicals Limited 1 ('GFL1' or 'Demerged Company') and Inox Fluorochemicals Limited ('GFL2' or 'Resulting Company') and their respective shareholders and creditors in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

<b>Inox Fluorochemicals Limited</b>		
<b>Registered Office:</b> Survey Number 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba District Panchmahal, Gujarat 389380		
<b>Corporate Office:</b> Inox Towers, 17 Sector 16 A, Noida - 201301, Uttar Pradesh		
<b>Telephone:</b> +91 2678 248153; <b>Fax:</b> +91 2678 248153; <b>Email:</b> <a href="mailto:bvdesai@gfl.co.in">bvdesai@gfl.co.in</a> , <b>Website:</b> <a href="http://www.gfl.co.in">www.gfl.co.in</a>		
<b>CIN:</b> U24304GJ2018PLC105479		
<b>Contact Person:</b> Bhavin Desai		
<b>PROMOTER</b>		
Inox Leasing and Finance Limited		
<b>DETAILS OF THE SCHEME OF ARRANGEMENT</b>		
The Scheme of Arrangement provides for demerger of Chemical Business Undertaking from GFL 1 into GFL 2 under provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and matters consequential, supplemental and/or otherwise integrally connected therewith. As a consideration for demerger, equity shares would be issued by GFL 2 to the shareholders of GFL1 and existing share capital of GFL 2 (held by GFL 1 and its nominees) would be cancelled.		
<b>STATUTORY AUDITORS</b>		
Patankar & Associates, Chartered Accountants		
<b>Address:</b> Office No. 19-23, 4th Floor, Gotd Wings, S.No. '1'18A, Plot No. 543, Parvati Nagar, Sinhgad Road, Pune <b>Phone: 020 – 24252117</b>		
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## PROMOTERS OF GFL 1 & GFL 2

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Current Promoter of GFL 2 is GFL 1. Upon implementation of Scheme of Arrangement and approvals from the regulatory authorities, the Promoters of GFL 2 shall be Inox Leasing and Finance Limited. Details of the promoter and promoter group entities are given below:

1. **Inox Leasing and Finance Limited (ILFL)** was incorporated on February 17, 1995, carrying out business as a finance company including financing industrial, commercial and business operations by means of loans, leasing, hiring and hire purchases, dealing in shares and securities, having Mr. Devendra Kumar Jain, Mr. Pavan Kumar Jain, Mr. Vivek Jain, Mr. Siddharth Jain and Mr. Devansh Jain as its Board of Directors.

The Company is not listed on any stock exchange and has registered office at 69 Jolly Maker Chambers II, Nariman Point, Mumbai 400 021

### **List of top 5 largest listed / unlisted group companies of GFL 2 as per Item (13) (B) of Part A of the Schedule VI of SEBI (ICDR) Regulations, 2018**

#### **Listed:**

1. INOX Leisure Limited
2. INOX Wind Limited

#### **Unlisted:**

1. INOX Air Products Private Limited
2. INOX India Private Limited
3. INOX Wind Infrastructure Services Limited

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## **BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY**

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GFL 1 is one of the leading player in the international and domestic Polytetrafluoroethylene (PTFE) market, with over 25 years' of experience in the field. GFL 1 operates one of the largest PTFE facilities in the world, accounting for more than 10% of the global PTFE capacity. This is amongst the world's most integrated and technologically advanced PTFE facility in the world.

There are multiple levers that will fuel us on our long marathon to success. Our ability to produce a wide range of chemicals through our vertically integrated facility makes us one of the most cost competitive PTFE producers globally, and also, less susceptible to volatilities of the commodity cycle. A gradual shift to value-added products enables us generate better margins and more stable pricing for our products.

As we move ahead post demerger of Chemical Business Undertaking from GFL 1 into GFL 2, GFL 2 is fixated on becoming a leading global fluoropolymer player and in deriving value creation by fully commercializing our new manufacturing facilities for polymers and developing new products. GFL 2 would be leveraging the potential for business scalability by incurring incremental investments. GFL 2 would also strive in improving the realizations by churning the product mix in favor of higher value-added grades, and implementing cost reduction schemes.

GFL 2 would also be value adding by diversifying into fluoro-speciality chemicals and other fluoro-polymers, based on low-cost captive availability of a host of fluoro-feedstocks. GFL 2 would remain poised to reap the benefits of increasing capacity utilization by scaling higher the operating leverage, operating margins and return ratios.

The Vision is to consolidate the capacities created in each business segment, especially in fluoropolymers, and operate them in a world-class and safe manner to service global customers as a reliable, long-term and high quality supply chain partner. GFL 2 would make smart investments today, to reap their benefits tomorrow. Through the forward-thinking approach, GFL 2 would be well poised for sustainably delivering enriched stakeholder growth and in becoming the world's leading fluoropolymer player.

### Key Strategies for Future Growth:

- Complete focus on enhancing safety of our operations by deploying global best facilitators in the game;
- Attaining full capacity utilization of debottle necked and expanded capacities in fluoropolymers;
- Adding high value-added fluoropolymers such as PCTFE, TSAN and FFKM as well as additional fluoro-intermediates to continue the offerings of a full fluorine bouquet to our global customers; and
- Continuing to provide top-class technical and logistics services to the customers.

### BOARD OF DIRECTORS OF GFL 2

#### Board of Directors of GFL 2:

Sr. No.	Name	DOB	Qualification	Experience including current / past position held in other firms
1	Shri Devendra Kumar Jain Director(NED) DIN: 00029782	02.03.1929	B.A. History (Hons)	Mr. Devendra Kumar Jain possesses <b>over 60 years of rich experience</b> in business management and international trade. In recognition of his successful efforts to increase bilateral trade with Commonwealth countries, he was granted a Dignity of an Honorary Member of the Civil Division in the Order of the British Empire by Her Majesty, the Queen of England. He is a part of promoter group.
2	Shri Vivek Kumar Jain Managing Director, DIN: 00029968	30.08.1955	B.Com; PGDBM from IIM Ahmedabad	Shri Vivek Jain has <b>over 33 years of rich business experience</b> in setting up and managing several businesses. Shri Vivek Jain is Managing Director of Gujarat Fluorochemicals Limited (GFL) since its inception. Under his leadership, GFL has grown as an Industry with multiple business activities from a single manufacturing unit to a diversified business conglomerate producing several world – class business of global scale of refrigerant gases to entire Chemical Complex with manufacturing of Caustic Soda, Chloromethane, and Poly Tetra Fluoro Ethane (PTFE). He is a part of promoter group.
3	Shri Pavan Kumar Jain Director(NED, DIN: 00030098	17.05.1951	Chemical Engineer from IIT, New Delhi	Mr. Pavan Kumar Jain has <b>over 38 years of experience</b> of handling several diverse businesses, of which the last twenty two have been as Managing Director of Inox Air Products Private Limited. He is a part of promoter group.
4	Shri Shailendra Swarup Independent Director, DIN: 00167799	20.11.1944	LL.B.	Mr. Shailendra Swarup is a Senior Advocate. He is practicing in the High Court and Supreme Court of India, at New Delhi. He has <b>around 44 years of experience</b> in handling various legal matters. He is also on the Board of several professionally managed companies. Mr. Swarup was a member of the Task Force on Corporate Governance constituted by the confederation of Indian Industry under the Chairmanship of Mr. Rahul Bajaj. He was a member of consultative Group constituted by the Reserve Bank of India under the Chairmanship of Dr AS Ganguly.

5	Shri Dinesh Kumar Sachdeva Whole-Time Director, DIN: 00050740	12.12.1944	B.Tech. Chemical Engineer from IIT, Kharagpur	Mr. Dinesh Kumar Sachdeva <b>has over 47 years of experience</b> in the technical field of various chemical / process plants.
6	Shri Om Prakash Lohia Independent Director, DIN: 00206807	26.05.1949	B.com.	Mr. Om Prakash Lohia is Chairman and Managing Director of Indo Rama Synthetics (India) Limited. He has joined the family textile business after graduation which gave him management exposure in all disciplines of business management. Mr Lohia has been awarded Ugyog Ratna award by the Madhya Pradesh Government in 2005.
7	Shri Deepak Asher Director (NED), DIN: 00035371	15.01.1959	B.Com., LLB, CA, ICWA	Mr. Deepak Asher has been associated with the Inox Group <b>for more than thirty years now</b> , in different capacities. He has been responsible for spearheading the Group's diversification into the cinema and CDM businesses, and the wind energy business.
8	Shri Shanti Prasad Jain Independent Director, DIN: 00023379	01.02.1940	FCA	Mr. Shanti Prasad Jain is a leading Chartered Accountant and <b>practicing since 1963</b> . He has specialized in taxation matters of various reputed companies and banks.
9	Shri Rajagopalan Doraiswami Independent Director, DIN: 07013468	26.07.1949	MSc Physics, IAS	Mr. Rajagopalan Doraiswami has retired from the Government Service. During the tenure of his service, he has headed various Government offices.
10	Ms. Vanita Bhargava Independent Director, DIN: 07156852	01.03.1974	Bcom , LLB	Ms Vanita Bhargava is a partner in the Dispute Resolution Group of Khaitan & Co, New Delhi. Ms Vanita Bhargava <b>has 20 years</b> of experience as practicing advocate at Supreme Court, High Court, Company Law Board, National Green Tribunal, Mining Tribunal, Consumer Forums and its Appellate Authorities.
11	Shri Anand R Bhusari Whole-time Director, DIN: 07167198	13.05.1958	M.Tech. Chemical Engineer from IIT, Mumbai	Mr Anand Bhusari <b>has over 34 years of experience</b> essentially in Petrochemicals & Refinery Operations, technology management, project execution, debottle necking, safety and quality systems. He was associated with Reliance Industries for 18 years with his last assignment as COO. Prior to that he was with NOCIL for nearly 10 years.
12	Shri Chandra Prakash Jain Independent Director, DIN: 00011964	03.03.1946	B.Com, LLB, FCA , Advance Diploma in Management.	Shri Chandra Prakash Jain was former Chairman and Managing Director of NTPC Limited. For the period 2003-05, he had been the Chairman of the SCOPE- Standing Conference of Public Enterprises - the apex organization of Central Public Sector Enterprises (CPSEs) in INDIA. He was also the Chairman of the 'Global Studies Committee' of World Energy Council London and the Member of its Officers Council for the 6-year term up to September, 2010.

Since GFL 2 has been newly incorporated, there has been no change in the Board of Directors of GFL 2 since incorporation.

### SHAREHOLDING PATTERN OF GFL 2 (Pre and Post Demerger)

Shareholding pattern of GFL 2 Pre Demerger:

Sr. No.	Particular	Number of Equity Shares Held	% of Holding
1.	Gujarat Fluorochemicals Limited	99400	99.40%
2.	Nominees of GFL 1	600	0.60%
	<b>Total</b>	<b>100,000</b>	<b>100.00%</b>

Following will be the shareholding pattern of GFL 2 upon implementation of Scheme of Demerger:

Sr. No.	Particular	Number of Equity Shares Held	% of Holding
1.	<u>Promoter</u>		
a.	Inox Leasing and Finance Limited	57,715,310	52.54%
	<u>Promoter Group</u>		
a.	Devansh Trademart LLP	6,662,360	6.07%
b.	Siddhapavan Trading LLP	5,576,440	5.08%
c.	Inox Chemicals LLP	2,955,230	2.69%
d.	Siddho Mal Trading LLP	2,019,260	1.84%
e.	Individuals	136,300	0.14%
	Total Promoter & Promoter Group	75,064,900	68.33%
2.	Public	34,785,100	31.67%
	<b>Total</b>	<b>109,850,000</b>	<b>100.00%</b>

### AUDITED FINANCIALS OF GFL 1 PERTAINING TO CHEMICAL BUSINESS UNDERTAKING

Standalone	Rs. In lakhs			
	HY 2018	FY 2017-18	FY 2016-17	FY 2015-16
Total income from operations (net) **	137,501	208,431	153,206	143,522
Net Profit / (Loss) before tax and exceptional items	33,669	44,092	15,956	12,594
Net Profit / (Loss) after tax and exceptional items	56,151	30,626	12,828	8,482
Equity Share Capital	1,099	1,099	1,099	1,099
Reserves and Surplus	314,695	267,454	235,591	241,610
Net worth	315,793	268,552	236,690	242,709
Basic earnings per share (Rs.)	51.12	27.88	11.68	7.72
Diluted earnings per share (Rs.)	51.12	27.88	11.68	7.72
Return on net worth (%)	17.78	11.40	5.42	3.49
Net asset value per share (Rs.)	287.48	244.47	215.47	220.95

Note : \*\* Total Income from operation does not include other income

Consolidated	Rs. In lakhs			
	HY 2018	FY 2017-18	FY 2016-17	FY 2015-16
Total income from operations (net) **	135,431	215,253	156,952	147,873
Net Profit / (Loss) before tax and exceptional items	32,020	45,050	15,979	11,235
Net Profit / (Loss) after tax and exceptional items	54,787	31,419	12,936	7,005
Equity Share Capital	1,099	1,099	1,099	1,099
Reserves and Surplus*	314,421	267,538	234,626	240,558
Net worth	315,333	268,566	235,713	241,717
Basic earnings per share (Rs.)	49.87	28.60	11.78	6.38
Diluted earnings per share (Rs.)	49.87	28.60	11.78	6.38
Return on net worth (%)	17.37	11.70	5.49	2.90
Net asset value per share (Rs.)	287.06	244.48	214.58	220.04

Note : \*Reserves and Surplus does not includes Non Controlling Interest

## INTERNAL RISK FACTORS

1. GFL 2 would be exposed to normal industry risk factors, economic cycles and uncertainties in the markets. Due to the commodity nature of some of the products currently produced by GFL 1, GFL 2 would be susceptible to the vagaries of commodity cycles. A key risk includes increased competition and impact on pricing, due to any additional capacities set up by Chinese manufacturers, which could affect GFL 2's sales, realizations and profitability.
2. GFL 2's production would be done at various manufacturing locations and hence location risks would also exist. In the event of disruption in the operations at any location or in the event of any unforeseen event happening at any location, it could materially affect operations. The operations of GFL 2 would be dependent on skilled labour, and hence it could also be subjected to problems associated with industrial relations and talent shortage.
3. If GFL 2 is unable to estimate demand for their products and thereby effectively manage inventory, it could have an adverse effect on their business, results of operations and financial condition.
4. GFL 2 will be subject to safety, health, environmental, labour, workplace and related laws and regulations and any failure to comply with any current or future laws or regulations could have a material adverse effect on its business, financial condition and results of operations.
5. Newly developed products may replace GFL 2's existing products and their research and development efforts may not yield new products, processes and solutions consistently to enable them to remain competitive.
6. GFL 2's performance depends to a large extent on the efforts and abilities of its Promoters and Key Management Personnel. The loss of or diminution in the services of one or more of its Promoters and Key Management Personnel could have a material adverse effect on business, financial condition and results of operations.
7. A material disruption at one or more of GFL 2's manufacturing facilities could have a material adverse effect on its business, results of operations and financial condition.

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against and by GFL 1 and amount involved are as under –

Type of Cases	Number of cases	Amount involved (Rs Lakhs)
Civil Matters	6	208
Criminal Matters	7	1,053
Labour Claims	1	-
Tax Matters	25	2,988
Consumer Complaints	3	81
<b>Total</b>	<b>42</b>	<b>4,330</b>

- B. Brief details of top 5 material outstanding litigations against the Company and amount involved –

Sr. No.	Particulars	Litigation filed by	Current Status	Amount (Rs. Lakhs)
1	Differential duty on Import of Coal on high seas	Customs Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	756

2	Reopening of the assessment in respect of deduction claimed under section 80IA for F.Y.2009-10 and F.Y.2010-11	Income Tax Dept.	Matter is pending at Commissioner of Income Tax (Appeals)-1, Vadodara.	537
3	Excise Duty on freight recovered from customers	Excise Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	286
4	Non-payment of Service tax on Import of services relating to supply of tangible goods, online information database access or retrieval services– May 2008 to March 2015 & April 2015 to March 2016	Service Tax Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	219
5	Excise Duty on freight recovered from customers	Excise Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	116
<b>Total</b>				<b>1,914</b>

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any: **Nil**

D. Brief details of outstanding criminal proceedings against Promoters: **Nil**

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#### **RATIONALE AND BENEFITS OF THE SCHEME OF ARRANGEMENT**

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The Scheme shall achieve the following benefits:

- Segregation of Businesses: GFL 1 is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL 1 is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL 1 are distinct and diverse in its business characteristics with different risk and return profiles & capital and operational requirements. The management of GFL 1 believes that the scheme will provide better flexibility to investors to select investments which best suit their investment strategies and risk profile for each of the businesses of GFL 1.
- Result in economies in business operations; provide optimal utilization of resources and greater administrative efficiencies.
- The proposed demerger of the Chemical business will unlock value for the existing shareholders and allow the management to have a focused growth strategy which would be in the best interest of all the stakeholders.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of GFL 1. The Scheme would be in the best interest of all stakeholders in GFL 1.

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#### **ANY OTHER IMPORTANT INFORMATION OF GFL 2**

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- Authority for the issue – The Scheme was approved by the Board of Directors of GFL 1 in their meeting held on November 14, 2018 and GFL 2 on December 12, 2018. The same is subject to statutory approvals including from the SEBI, Shareholders, Stock Exchanges, National Company Law Tribunal, , Regional Director & Registrar of Companies.
- Expert Opinion obtained, if any – Share Exchange Report and Fairness Opinion

- Material Contracts and Documents for Inspection:
  1. Memorandum & Articles of Association
  2. Financial Statements & latest Shareholding Pattern
  3. Draft Scheme of Arrangement
  4. Share Exchange Ratio Report and Fairness Opinion pursuant for the Scheme
  5. Networth Certificate pre and post Scheme
- Time and Place of Inspection of material contracts and documents – Copies of the above mentioned documents for the inspection referred to hereunder, may be inspected at GFL 2's Registered Office situated at Survey Number 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba District Panchmahal, Gujarat 389380, between 10:00 am and 5:00 pm on all working days (Monday to Friday) from the date of this Abridged Prospectus until the listing approval.

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#### **DECLARATION**

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We hereby declare that all relevant provisions of the Companies Act, 1956 & Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this abridged prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true & correct.

**For INOX Fluorochemicals Limited**

**Dinesh Kumar Sachdeva**

**Director**

**Place:** Vadodara

**Date:** 13<sup>th</sup> December, 2018



**ANNEXURE - 10**  
**Kulkarni and Company**  
**Chartered Accountants**

Flat No.3, First Floor, Shree Vishnu Complex, S.No. 120A/120B, Plot No. 545/6, Sinhgad Road, Pune - 411030  
Contact: +91 9850898715 email : nmk@kulkarnico.com

**Limited Review Report on Standalone Quarterly and Year to Date Unaudited Financial Results of Gujarat Fluorochemicals Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of Gujarat Fluorochemicals Limited**

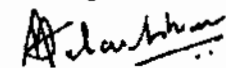
We have reviewed the accompanying statement of unaudited standalone financial results of Gujarat Fluorochemicals Limited (the "Company") for the quarter and nine months ended 31 December 2018 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 on 'Interim Financial Reporting' (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/2016 dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Kulkarni and Company  
Chartered Accountants  
Firm Registration No. 140959W

  
(A D Talavlikar)

Partner  
Mem. No. 130432

Place: Pune  
Date: 13 February 2018



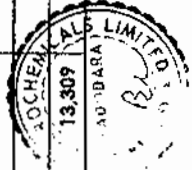


# GUJARAT FLUORO-CHEMICALS LIMITED

CIN : L24110GJ1987 PLC009362, Website : www.gfl.co.in , email : contact@gfl.co.in  
 Registered Office: 16/3, 26 & 27, Village Ranjithnagar, Taluka Goghamba, District Panchmahals, Gujarat 389 380

## STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31<sup>st</sup> DECEMBER, 2018

Sr. No.	Particulars	(Rs. in Lakhs)					
		3 Months ended 31/12/2018 (Unaudited)	Preceding 3 Months ended 30/09/2018 (Unaudited)	Corresponding 3 Months ended 31/12/2017 (Unaudited)	9 Months ended 31/12/2018 (Unaudited)	Corresponding 9 Months ended 31/12/2017 (Unaudited)	Year ended 31/03/2018 (Audited)
I	Revenue from operations (See Note 2)	67,366	68,024	52,684	2,04,867	1,48,780	2,08,431
II	Other income	1,669	4,287	2,629	7,316	7,331	8,637
III	<b>Total Income (I+II)</b>	<b>69,035</b>	<b>72,311</b>	<b>55,313</b>	<b>2,12,183</b>	<b>1,56,111</b>	<b>2,17,068</b>
IV	<b>Expenses</b>						
	Cost of materials consumed	23,653	22,252	13,274	71,309	38,023	53,938
	Purchases of stock-in-trade	5	-	-	15	-	-
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	(5,118)	(1,962)	2,041	(11,280)	2,868	3,842
	Excise duty	-	-	-	-	2,873	2,873
	Employee benefits expense	4,069	3,851	3,371	12,238	10,280	13,835
	Power and fuel	14,818	12,021	10,663	38,853	30,532	41,002
	Foreign exchange fluctuation (gain)/loss (net)	(444)	(1,300)	(429)	(2,925)	(891)	(1,665)
	Finance costs	1,265	1,710	733	4,168	3,051	4,762
	Depreciation and amortisation expense	4,074	3,993	3,867	11,930	11,447	15,214
	Other expenses	9,669	13,394	8,484	34,920	23,930	35,041
	<b>Total expenses (IV)</b>	<b>51,991</b>	<b>53,959</b>	<b>42,004</b>	<b>1,59,228</b>	<b>1,22,113</b>	<b>1,68,842</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>	<b>17,044</b>	<b>18,352</b>	<b>13,309</b>	<b>52,955</b>	<b>33,998</b>	<b>48,226</b>
VI	Exceptional items (see Note 3)	-	-	-	-	-	15,403
VII	<b>Profit before tax (V+VI)</b>	<b>17,044</b>	<b>18,352</b>	<b>13,309</b>	<b>52,955</b>	<b>33,998</b>	<b>63,629</b>



<b>VIII</b>	<b>Tax expense</b>									
	(1) Current tax	4,811	6,566	3,932	17,740	9,469				13,901
	(2) Deferred tax	985	642	(89)	1,297	(137)				1,004
	(3) Tax pertaining to earlier years (see Note 4)	-	(34,937)	-	(34,937)	-				(7)
	<b>Total tax expense</b>	<b>5,796</b>	<b>(27,729)</b>	<b>3,843</b>	<b>(15,900)</b>	<b>9,332</b>				<b>14,898</b>
<b>IX</b>	<b>Profit for the period (VI-VIII)</b>	<b>11,248</b>	<b>46,081</b>	<b>9,466</b>	<b>68,855</b>	<b>24,666</b>				<b>48,731</b>
<b>X</b>	<b>Other Comprehensive Income</b>									
	A) Items that will not be reclassified to profit or loss	(46)	63	108	(107)	57				106
	Income tax on above	17	(22)	(38)	38	(20)				(37)
	B) Items that will be reclassified to profit or loss	(91)	16	50	(15)	44				153
	Income tax on above	32	(6)	(17)	5	(15)				(54)
	<b>Total other comprehensive income (net of tax)</b>	<b>(88)</b>	<b>51</b>	<b>103</b>	<b>(79)</b>	<b>66</b>				<b>168</b>
<b>XI</b>	<b>Total comprehensive income for the period (IX+X) (Comprising Profit and Other Comprehensive Income for the period)</b>	<b>11,160</b>	<b>46,132</b>	<b>9,569</b>	<b>68,776</b>	<b>24,732</b>				<b>48,899</b>
<b>XII</b>	<b>Earnings Before Interest, Tax, Depreciation &amp; Amortization (EBITDA)</b>	<b>20,714</b>	<b>19,768</b>	<b>15,280</b>	<b>61,737</b>	<b>41,165</b>				<b>59,565</b>
<b>XIII</b>	<b>Paid-up equity share capital (face value of Re 1 each)</b>	<b>1,099</b>	<b>1,099</b>	<b>1,099</b>	<b>1,099</b>	<b>1,099</b>				<b>1,099</b>
<b>XIV</b>	<b>Other Equity (excluding revaluation reserves) as shown in the Audited Balance Sheet of the previous year</b>									<b>3,46,814</b>
<b>XV</b>	<b>Basic and Diluted Earnings per equity share (in Rs.)</b>	<b>*10.24</b>	<b>*41.95</b>	<b>*8.62</b>	<b>*62.68</b>	<b>*22.45</b>				<b>44.36</b>

(\*) Not Annualised



**Notes:**

1. The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at its meeting held on 13<sup>th</sup> February, 2019 and have undergone 'Limited Review' by the Statutory Auditors.
2. According to requirement of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, revenue from operations for the nine months ended 31<sup>st</sup> December 2017 and year ended 31<sup>st</sup> March 2018 was reported inclusive of excise duty. Goods and Services Tax ("GST") was implemented with effect from 1<sup>st</sup> July 2017, which subsumed excise duty. As per Ind AS 18, revenue from operations for the quarter ended 31<sup>st</sup> December 2018, quarter ended 30<sup>th</sup> September 2018 and quarter ended 31<sup>st</sup> December 2017 is reported net of GST. Therefore, revenue from operations for the current periods is not comparable with corresponding earlier periods. Comparable revenue from operations included in Total Income above has been computed by adjusting excise duty from the revenue from operations of respective previous period, on like-to-like basis and same is tabulated below :-

Particulars	(Rs. in Lakhs)					
	3 Months ended 31/12/2018 (Unaudited)	Preceding 3 Months ended 30/09/2018 (Unaudited)	Corresponding 3 Months ended 31/12/2017 (Unaudited)	9 Months ended 31/12/2018 (Unaudited)	Corresponding 9 Months ended 31/12/2017 (Unaudited)	Year ended 31/03/2018 (Audited)
Revenue from Operations (A)	67,366	68,024	52,684	2,04,867	1,48,780	2,08,431
Excise duty on sale (B)	-	-	-	-	2,873	2,873
<b>Revenue from operations excluding excise duty on sale (A-B)</b>	<b>67,366</b>	<b>68,024</b>	<b>52,684</b>	<b>2,04,867</b>	<b>1,45,907</b>	<b>2,05,558</b>

3. Exceptional items during year ended 31<sup>st</sup> March 2018 is on account of Gain on sale of Company's stake in Subsidiary Company Inox Wind Limited.
4. To meet the minimum public shareholding requirements by the Company's subsidiary Inox Wind Limited ("IWL"), the 'Promoter/Promoter Group' have sold, in aggregate, 2,35,61,331 equity shares in IWL in through an Offer for Sale (OFS) of shares through the stock exchange, in March 2018. The OFS included sale of 1,35,61,331 equity shares in IWL by GFL as a promoter. The net gain of Rs. 15,403 Lakhs on sale of these shares by GFL is included in Exceptional items above.
4. During the quarter ended 30<sup>th</sup> September 2018, the Company has received appellate orders from Income-tax Appellate Tribunal ("ITAT") for two years (viz. assessment year 2012-13 and 2013-14) favourably upholding certain contentions raised by the Company at assessment stage. Consequently, the reduction in tax liability of Rs. 34,937 lakhs in respect of these two years is recognized as 'tax pertaining to earlier years' and interest of Rs. 2,776 lakhs on such income-tax refunds is included in other income. For the other years, the same matter is still pending before ITAT and hence, effect for the same will be given when the matter is decided by the ITAT for the respective years.
5. The Company has a single operating segment viz. 'Chemicals'.



6. During the quarter ended 31st December 2018, the Company has acquired 64,00,000 additional equity shares in its subsidiary, Inox Leisure Limited (ILL). These shares are allotted by ILL, by way of a preferential allotment, after taking necessary approvals, at a price of Rs. 250 per equity share (including share premium of Rs. 240 per equity share), aggregating to Rs. 16,000 Lakhs. Consequently, the shareholding of the Company in ILL has increased from 48.09% to 51.32%.
7. The Board of Directors of Gujarat Fluorochemicals Limited has approved, subject to approval of its shareholders and creditors, and other regulatory approvals as may be required, including those of the Stock Exchanges, SEBI and the National Company Law Board Tribunal, a scheme for the demerger of its chemical business into its wholly owned subsidiary company, Inox Fluorochemicals Limited, a company incorporated on 6th December 2018 under the Companies Act, 2013. On completion of the demerger, all the shareholders of Gujarat Fluorochemicals Limited, will be issued one fully paid up equity share of Re 1 each in Inox Fluorochemicals Limited, for every one fully paid up equity share of Re 1 each held by them in Gujarat Fluorochemicals Limited. The Inox Fluorochemicals Limited therefore will be a mirror image company of Gujarat Fluorochemicals Limited, and will be separately listed.

Place: Noida

Date: 13<sup>th</sup> February, 2019



On behalf of the Board of Directors  
For Gujarat Fluorochemicals Limited

VIVEK JAIN

Managing Director

**Independent Auditor's Report to the Board of Directors of Inox Fluorochemicals Limited**

**Report on the audit of Interim Ind AS Financial Statements**

We have audited the accompanying Interim Ind AS financial statements of **Inox Fluorochemicals Limited** ("the Company") which comprises the Interim Balance Sheet as at 12 December 2018, the Interim Statement of Profit and Loss, the Interim Statement of Cash Flows and the Interim Statement of Changes in Equity for the period from 6 December 2018 to 12 December 2018, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 12 December 2018, and loss, its cash flows and changes in equity for the period ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Interim Ind AS Financial Statements**

The Company's Board of Directors is responsible for the preparation of these interim Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the



**Independent auditor's report to the Board of Directors of Inox Fluorochemicals Limited on the Interim Ind AS financial statements for the period ended 12 December 2018 (continued)**

preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

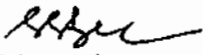
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Patankar & Associates  
Chartered Accountants  
Firm's Registration No. 107628W

  
S S Agrawal  
Partner  
Membership No. 049051



Place: Pune  
Date: 27 December 2018



**Inox Fluorochemicals Limited**  
**Interim Balance Sheet as at 12 December 2018**

Particulars	Note No.	(Rs. in Lakhs)
		As at 12 December 2018
<b>ASSETS</b>		
<b>Current assets</b>		
(a) Financial assets		
(i) Cash and cash equivalents	5	1.00
<b>Sub-total</b>		<b>1.00</b>
<b>Total Assets</b>		<b>1.00</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	6	1.00
(b) Other equity	7	(0.36)
<b>Sub-total</b>		<b>0.64</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Other financial liabilities	8	0.36
<b>Sub-total</b>		<b>0.36</b>
<b>Total Equity and Liabilities</b>		<b>1.00</b>

The accompanying notes are an integral part of the Interim Ind AS financial statements

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants



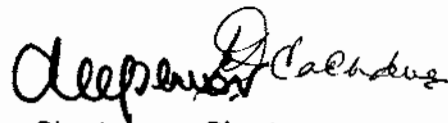
S S Agrawal  
Partner

Place: Pune

Date : 27 December 2018



**For Inox Fluorochemicals Limited**



Director      Director

Place: Vadodara

Date : 27 December 2018

Inox Fluorochemicals Limited

Interim Statement of Profit and Loss for the period from 6 December to 12 December 2018


Particulars	Note No.	(Rs. in Lakhs) Period from 6 December to 12 December 2018
Revenue from operations		-
<b>Total Income</b>		<b>-</b>
<b>Expenses</b>		
Preliminary expenses written off	9	0.36
<b>Total expenses</b>		<b>0.36</b>
<b>Loss before tax</b>		<b>(0.36)</b>
Tax expense		-
<b>Loss for the period</b>		<b>(0.36)</b>
<b>Other comprehensive income</b>		<b>-</b>
<b>Total comprehensive income for the period</b> (comprising loss and other comprehensive income for the period)		<b>(0.36)</b>
<b>Basic and Diluted loss per equity share of Re. 1 each (In Rs.)</b>	13	<b>(0.36)</b>

The accompanying notes are an integral part of the Interim Ind AS financial statements

As per our report of even date attached

For Patankar & Associates

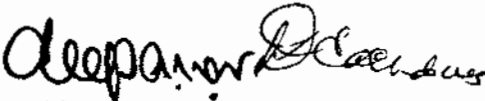
Chartered Accountants

  
S S Agrawal  
Partner



Place: Pune  
Date : 27 December 2018

For Inox Fluorochemicals Limited

  
- Director Director

Place: Vadodara  
Date : 27 December 2018

**Inox Fluorochemicals Limited**  
**Interim Statement of Changes in Equity for the period from 6 December to 12 December 2018**

**A: Equity Share Capital**

(Rs. in Lakhs)

Particulars	
Changes in equity share capital during the period	1.00
<b>Balance as at 12 December 2018</b>	<b>1.00</b>

**B: Other Equity**

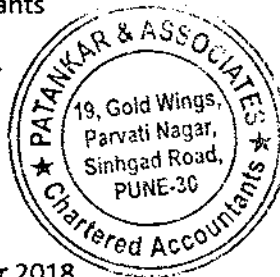
(Rs. in Lakhs)

Particulars	Retained Earnings
Loss for the period	(0.36)
Total comprehensive income for the period	(0.36)
<b>Balance as at 12 December 2018</b>	<b>(0.36)</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
**For Patankar & Associates**  
Chartered Accountants

*SS Agrawal*  
SS Agrawal  
Partner



Place: Pune  
Date : 27 December 2018

**For Inox Fluorochemicals Limited**

*Deepenya D. Chaudhary*  
Director Director

Place: Vadodara  
Date : 27 December 2018

**Inox Fluorochemicals Limited**

**Statement of Cash Flows for the period from 6 December to 12 December 2018**

Particulars	(Rs. in Lakhs)
	Period from 6 December to 12 December 2018
<b>Cash flows from operating activities</b>	
Loss for the period	(0.36)
<b>Operating loss before working capital changes</b>	<b>(0.36)</b>
<b>Movements in working capital:</b>	
Other financial liabilities	0.36
<b>Cash used in operating activities</b>	<b>-</b>
Income taxes paid	-
<b>Net cash used in operating activities</b>	<b>-</b>
<b>Cash flows from financing activities</b>	
Shares issued during the period	1.00
<b>Net cash generated from financing activities</b>	<b>1.00</b>
<b>Net increase in cash and cash equivalents</b>	<b>1.00</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1.00</b>

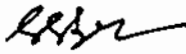
**Notes:**

1. The above statement of cash flows has been prepared under the Indirect method.
2. Components of cash and cash equivalents are as per note 5
3. The accompanying notes are an integral part of the Interim IND AS financial statements.

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants



S S Agrawal  
Partner



Place: Pune

Date : 27 December 2018

**For Inox Fluorochemicals Limited**



Director

Director

Place: Vadodara

Date : 27 December 2018

## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

#### **1. Company Information**

Inox Fluorochemicals Limited (the "Company") is incorporated on 6 December 2018 under the Companies Act, 2013 and is a wholly owned subsidiary of Gujarat Fluorochemicals Limited ("the Holding Company"). The Board of Directors of the Holding Company have approved, subject to approval of its shareholders and creditors, and other regulatory approvals as may be required, including those of the Stock Exchanges, SEBI and the Hon'ble National Company Law Board Tribunal, a scheme for the demerger of its chemical business into Inox Fluorochemicals Limited. Pursuant to the said scheme of demerger, the chemical business undertaking of the Holding Company will be demerged to Inox Fluorochemicals Limited with effect from the appointed date viz. 1 April 2019. Further, all the shareholders of Gujarat Fluorochemicals Limited, will be issued one fully paid up equity share of Re 1 each of Inox Fluorochemicals Limited, for every one fully paid up equity share of Re 1 each held by them in Gujarat Fluorochemicals Limited and simultaneously the existing share capital of Rs. 1 lakh of Inox Fluorochemicals will stand cancelled. The Company is yet to commence its commercial operations. As at 12 December 2018, it does not have any fixed assets, employees or turnover.

Inox Leasing and Finance Limited is the ultimate holding company. The Company's registered office is located at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380.

#### **2. Statement of compliance and basis of preparation and presentation**

##### **2.1 Statement of Compliance**

The first financial year of the Company is for the period from 6 December 2018 to 31 March 2019. These interim financial statements of the Company are specifically prepared for the purpose of submission to stock exchanges and other regulatory authorities in pursuance of the aforesaid scheme of demerger and comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act").

##### **2.2 Basis of Measurement**

These interim IND AS financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated. These are the first financial statements of the Company and hence there are no comparative amounts for the previous period.

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **2.3 Basis of Preparation and Presentation**

The financial statements have been prepared on accrual and going concern basis.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months.

These financial statements were authorized for issue by the Company's Board of Directors on 27 December 2018.

### **3. Significant Accounting Policies**

#### **3.1 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **3.1.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years, items that are never taxable or deductible and tax incentives. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### **3.1.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### **3.1.3 Presentation of current and deferred tax :**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

#### **3.2 Provisions and contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

#### **3.3 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial



## Inox Fluorochemicals Limited

### Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018

liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### A) Financial assets

##### a) Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

##### b) Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

##### c) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

##### i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

##### ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:





## Inox Fluorochemicals Limited

### Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments classified under financial assets are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

The Company does not have any financial assets in this category.

#### iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

The Company does not have any financial assets in this category.

#### d) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

#### **e) Impairment of financial assets:**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

The Company does not have any trade receivables as at 12 December 2018.

In case of assets listed as (i) and (ii) above, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense / income in the Statement of Profit and Loss under the head 'Other expenses' / 'Other income'.

#### **B] Financial liabilities and equity instruments**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **i. Equity instruments:-**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company member are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### **ii. Financial Liabilities:-**

###### **a) Initial recognition and measurement :**

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

#### **b) Subsequent measurement:**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Company has not designated any financial liability as at FVTPL.

#### **c) Derecognition of financial liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

#### **3.4 Earnings Per Share**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### **4 Critical accounting judgements and use of estimates**

In application of Company's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.



Inox Fluorochemicals Limited

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

Particulars	(Rs. in Lakhs)
	As at 12 December 2018
<b>5: Cash and cash equivalents</b>	
<b>Balances with banks</b>	
In current account	1.00
<b>Total</b>	<u>1.00</u>



**Inox Fluorochemicals Limited**

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

Particulars	(Rs. in Lakhs)
	As at 12 December 2018

**6: Equity share capital**

<b>Authorised capital</b>	
1,00,000 equity shares of Rs. 1 each	1.00
<b>Issued, subscribed and paid up</b>	
1,00,000 equity shares of Rs. 1 each fully paid up	1.00
	1.00

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period**

Particulars	As at 12 December 2018	
	No. of shares	Rs. (in Lakhs)
Shares issued during the period	1,00,000	1.00
Shares outstanding at the end of the period	1,00,000	1.00

**(b) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 1 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

**(c) Shares held by holding company**

Particulars	As at 12 December 2018	
	No. of shares	Rs. (in Lakhs)
Gujarat Fluorochemicals Limited (*)	1,00,000	1.00

**(d) Details of shareholders holding more than 5% shares in the Company:**

Name of shareholder	As at 12 December 2018	
	No. of shares	Holding %
Gujarat Fluorochemicals Limited (*)	1,00,000	100.00%

(\*) Including shares held through nominee shareholders



Inox Fluorochemicals Limited

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

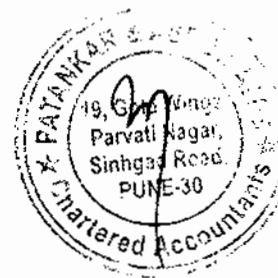
(Rs. in Lakhs)	
Particulars	As at 12 December 2018
<b>7: Other Equity</b>	
Retained earnings	(0.36)
<b>Total</b>	<b>(0.36)</b>
<b>Retained earnings</b>	
Particulars	As at 12 December 2018
Loss for the period	(0.36)
<b>Balance at the end of the period</b>	<b>(0.36)</b>



**Inox Fluorochemicals Limited**

**Notes to the Interim financial statements for the period from 6 December to 12 December 2018**

Particulars	(Rs. in Lakhs) As at 12 December 2018
<b>8: Other financial liabilities</b>	
Expenses payable	0.36
<b>Total</b>	<b>0.36</b>



**Inox Fluorochemicals Limited**

**Notes to the Interim financial statements for the period from 6 December to 12 December 2018**

Particulars	(Rs. in Lakhs) Period from 6 December to 12 December 2018
9: Preliminary expenses written off	
Preliminary expenses written off	0.36
<b>Total</b>	<b>0.36</b>





Inox Fluorochemicals Limited

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

10: Related party transactions

(i) Where control exists:

Gujarat Fluorochemicals Limited (GFL) - holding company

Inox Leasing and Finance Limited - ultimate holding company

(ii) Particulars of transactions

(Rs. in Lakhs)

Particulars	With parties where control exists	Total
<b>A) Transactions during the period</b>	<b>Period from 6 December to 12 December 2018</b>	<b>Period from 6 December to 12 December 2018</b>
(a) Share issued		
Gujarat Fluorochemicals Limited	1.00	1.00
(b) Reimbursement of expenses paid		
Gujarat Fluorochemicals Limited	0.36	0.36
<b>B) Balances at the end of the year</b>	<b>As at 12 December 2018</b>	<b>As at 12 December 2018</b>
(a) Amounts payable		
<b>(i) Other payables</b>		
Gujarat Fluorochemicals Limited	0.36	0.36

Notes:

(a) Amounts outstanding are unsecured and will be settled in cash.

(b) There have been no guarantees, received or provided, for any related party receivables or payables.



**11: Financial Instruments**

The Company is yet to commence its commercial operations and accordingly the financial instruments held by the Company are not significant.

**(i) Capital management**

The Company is wholly owned by its parent company and it does not have any borrowings and is not subject to any externally imposed capital requirements.

(ii) Categories of financial instruments	(Rs. in lakhs)
Particulars	As at 12 December 2018
<b>Financial assets</b>	
<b>Measured at amortised cost</b>	
(i) Cash and bank balances	1.00
<b>Financial liabilities</b>	
<b>Measured at amortised cost</b>	
(i) Other financial liabilities	0.36

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

**(iii) Financial risk management**

The Company is yet to commence its commercial operations. Its financial liabilities comprise only of expenses payables of Rs. 0.36 lakhs. The Company's financial assets comprise only of bank balances of Rs. 1.00 lakhs.

The financial assets and liabilities of the Company are not exposed to changes in foreign currency exchange risk, interest rate and other price risk. Further, there is no credit risk as the financial assets comprise only of bank balance with reputed bank.



**Inox Fluorochemicals Limited**

**Notes to the Interim financial statements for the period from 6 December to 12 December 2018**

**14: Financial Instruments - continued**

**Liquidity risk management**

The Company manages its liquidity by financial support of holding company.

The following table details the remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rs. in lakhs)

Particulars	Upto 1 year	3-5 years	5+ years	Total contractual cash flows
Other financial liabilities	0.36		-	0.36

Other financial liabilities of the Company will be repaid with the support of the holding company and cash and bank balances.

**(iv) Financial instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different than the values that be eventually received or paid.



12. Income tax recognised in profit or loss

(Rs. in Lakhs)	
Particulars	Period from 6 December to 12 December 2018
Current tax	Nil
Deferred tax	Nil
<b>Total income tax expense recognised in the current period</b>	<b>Nil</b>

a. The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rs. in Lakhs)	
Particulars	Period from 6 December to 12 December 2018
Loss before tax	(0.36)
Income tax using the Company's domestic tax rate @ 26%	(0.09)
Effect of non-deductible expenses	0.09
<b>Income tax expense recognised in profit or loss</b>	<b>-</b>

The tax rate used for the Period from 6 December to 12 December 2018 is the corporate tax rate of 26% payable by corporate entities in India (where turnover is less than Rs. 250 crore in F.Y 2016-17) on taxable profits under the Indian tax law.



**Inox Fluorochemicals Limited**

**Notes to the Interim financial statements for the period from 6 December to 12 December 2018**

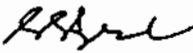
**13. Earnings per share:**

Particulars	Period ended 12 December 2018
a) Net loss attributable to equity shareholders (Rs. in lakhs)	(0.36)
b) Weighed average number of equity shares used in calculation of basic and diluted EPS (Nos)	1,00,000
c) Nominal value of equity share (Rs.)	1
d) Basic and diluted loss per equity share (Rs)	(0.36)

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants

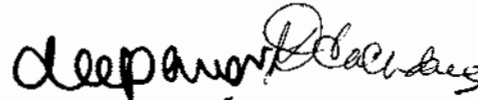
  
S S Agrawal  
Partner



Place: Pune

Date : 27 December 2018

**For Inox Fluorochemicals Limited**

  
Director

Place: Vadodara

Date : 27 December 2018

Intentionally Kept Blank

**GUJARAT FLUORO CHEMICALS LIMITED**

(CIN: L24110GJ1987PLC009362)

**Registered office:** Survey Number 16/3, 26 and 27, Village Ranjitnagar

Taluka Ghoghamba, District Panchmahal, Gujarat - 389380

**Telephone:** 02678-248153, **Fax:** 02678-248153

**Website:** www.gfl.co.in, **Email id:** bvdesai@gfl.co.in

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

**COMPANY SCHEME APPLICATION NO 46 OF 2019**

In the matter of Companies Act, 2013;

And

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

And

In the matter of Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders

**Gujarat Fluorochemicals Limited,** )  
a company incorporated under the provisions )  
of the Companies Act, 1956, and having its Registered Office )  
at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, )  
District Panchmahal, Gujarat-389380 )

**..... Applicant Company**

**PROXY FORM**

Name of the Secured Creditor(s)	
Registered Address	

I / We being the Secured Creditor(s) of the above named Company, hereby appoint:

- 1) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her;
- 2) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her;
- 3) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my / our proxy, to attend and vote , act for me/us and on my /our behalf at the Meeting of theSecured Creditor of the Applicant Company to be held at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India on Saturday, 11<sup>th</sup> day of May, 2019 at 12:00 noon for the purpose of considering and, if thought fit, approving, with or without modification(s), the Arrangement embodied in the Scheme of Arrangement between Gujarat Fluorochemicals Limited with Inox Fluorochemicals Limited and their respective Shareholders (the "Scheme") and at such Meeting and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) (\_\_\_\_\_ here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the later case, strike out the words below after 'the Scheme') the said Arrangement embodied in the Scheme, either with or without modification(s)\*, as my/our proxy may approve. (\*Strike out whatever is not applicable)

Sr. No.	Particulars	For	Against
1	Approval of Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') with Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders		

Affix Revenue Stamp of Re. 1
---------------------------------------

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of Secured Creditor (s) \_\_\_\_\_

Signature of Proxy holder (s) \_\_\_\_\_

(Signature across the stamp)

**NOTES:**

1. A Secured Creditor entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a Secured Creditor of the Company.
2. The Form of Proxy must be deposited at the Registered Office of the Company at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India not less than 48 (Forty Eight) hours prior to the commencement of the aforesaid Meeting.
3. All alterations made in the Form of Proxy should be initialed.
4. In case multiple proxies are received not less than 48 (Forty Eight) hours before the time of holding the aforesaid Meeting, the proxy received later in time shall be accepted. Also, a person who is a minor cannot be appointed as proxy.



**GUJARAT FLUOROCHEMICALS LIMITED**

(CIN: L24110GJ1987PLC009362)

**Registered office:** Survey Number 16/3, 26 and 27, Village Ranjitnagar,  
Taluka Ghoghamba, District Panchmahal, Gujarat - 389380

**Telephone:** 02678-248153, **Fax:** 02678-248153

**Website:** www.gfl.co.in, **Email id:** bvdesai@gfl.co.in

**ATTENDANCE SLIP**

(To be handed over at the entrance of Meeting Hall)

I /We hereby record my/ our presence at the meeting of the Secured Creditors of the Applicant Company, convened pursuant to the order of the National Company Law Tribunal, Bench at Ahmedabad, to be held at Registered Office of the Company situated at Survey Number 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat -389380 on Saturday, 11<sup>th</sup> day of May, 2019 at 12.00 noon.

I certify that I am a Secured Creditor / authorised signatory for the Secured Creditor of the Company.

Sr. No. :

Secured Creditor's Name and Address details	
---	--

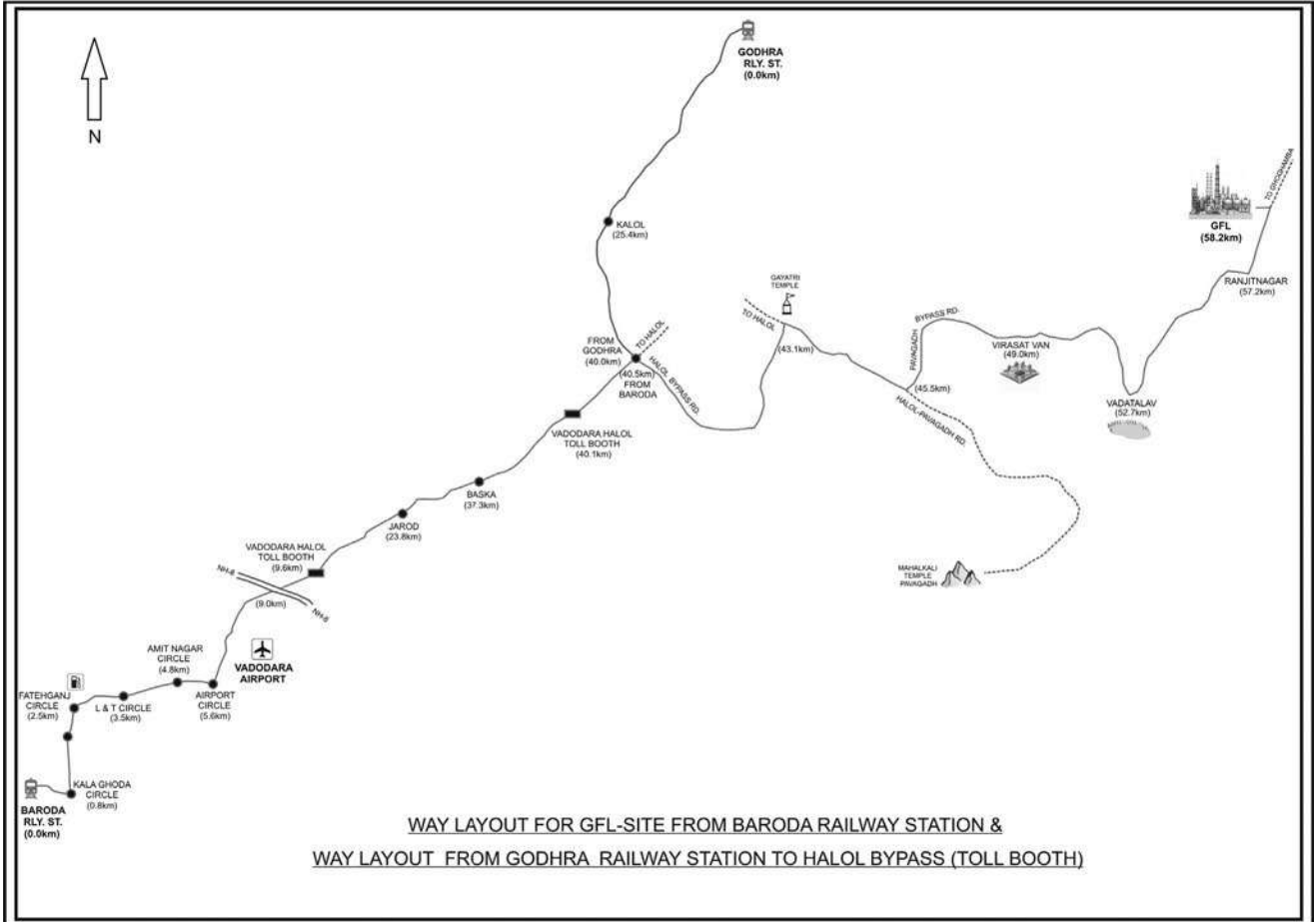
Name of Authorised Person	

**Notes:**

1. Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.
2. Secured Creditors attending the meeting are requested to bring their copy of the Scheme with them.

\_\_\_\_\_  
Secured Creditor's / Authorised Signatory's Signature

# Route Map for the Venue of the Meeting



# GUJARAT FLUORO CHEMICALS LIMITED

(CIN: L24110GJ1987PLC009362)

**Registered office:** Survey Number 16/3, 26 and 27, Village Ranjitnagar  
Taluka Ghoghamba, District Panchmahal, Gujarat -389380

**Telephone:** 02678-248153, **Fax:** 02678-248153

**Website:** www.gfl.co.in, **Email id:** bvdesai@gfl.co.in

## MEETING OF THE UNSECURED CREDITORS OF GUJARAT FLUORO CHEMICALS LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH

NCLT MEETING:	
<b>Day</b>	Saturday
<b>Date</b>	11 <sup>th</sup> May, 2019
<b>Time</b>	12:30 pm
<b>Venue</b>	Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380

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**FORM NO. CAA2**  
**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH**  
**COMPANY SCHEME APPLICATION NO 46 OF 2019**

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

And

In the matter of Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders

**Gujarat Fluorochemicals Limited,** )  
a Company incorporated under the provisions )  
of the Companies Act, 1956, and having its )  
Registered Office at Survey No 16/3, 26 and )  
27 Village Ranjitnagar, Taluka Ghoghamba, )  
District Panchmahal, Gujarat-389380, India )

..... **Applicant Company**

**NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT COMPANY**

To,

All the Unsecured Creditors of Gujarat Fluorochemicals Limited (the "**Applicant Company or Company**")

**NOTICE** is hereby given that by an Order dated 28<sup>th</sup> March, 2019, in the above mentioned Company Scheme Application (the "**Order**"), the National Company Law Tribunal, Ahmedabad Bench ("**NCLT**" or "**Tribunal**") has directed a Meeting to be held of the Unsecured Creditors of the Applicant Company for the purpose of considering, and if thought fit, approving with or without modification, the Arrangement embodied in the Scheme of Arrangement between Gujarat Fluorochemicals Limited ("**The Demerged Company**" or "**GFL 1**") and Inox Fluorochemicals Limited ("**The Resulting Company**" or "**GFL 2**") and their respective Shareholders ("**Scheme**").

In pursuance of the said order and as directed therein further Notice is hereby given that a Meeting of Unsecured Creditors of the Applicant Company will be held at the Registered office of the Company situated at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380 on Saturday, the 11<sup>th</sup> day of May 2019 at 12:30 pm at which time and place you are requested to attend. At the Meeting, the following Resolution will be considered and, if thought fit, will be approved with or without modification(s), under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 with requisite majority as provided under the Act:

***"RESOLVED THAT** pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as may be applicable, read with related rules thereto as applicable under the Companies Act, 2013 as amended (including any statutory modification or re-enactment or amendment thereof), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017, the observation letters issued by each of BSE Limited dated 15<sup>th</sup> February, 2019 and National Stock Exchange of India Limited dated 18<sup>th</sup> February, 2019 and subject to the relevant provisions of any other applicable laws and enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Ahmedabad Bench ("**NCLT**" or "**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 NCLT or by any regulatory*

*or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the Arrangement embodied in the Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders ("Scheme") as placed before this Meeting and initialled by the Chairman of the Meeting for the purpose of identification, be and is hereby approved and adopted.*

**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 NCLT 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 questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the Books of Accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper without being required to seek any further approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution."*

**TAKE FURTHER NOTICE** that you may attend and vote at the said Meeting in person or through your authorised representative at the Registered Office of the Applicant Company at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India.

Copies of the Scheme, and of the 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, along with the enclosures as indicated in the index, can be obtained free of charge at the Registered Office of the Applicant Company at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India or at the office of its authorised representative, Shri Bhavin Desai, Company Secretary at Gujarat Fluorochemicals Limited, ABS Towers, 2nd Floor, OP Road, Vadodara – 390007

The Tribunal has appointed Mr. Deepak Asher, Director and Group Head (Corporate Finance) and failing him, Mr. Dinesh Kumar Sachdeva, Whole-time Director and failing him, Mr. Anand Majmudar, Advocate 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 of the Tribunal.

A copy of the Explanatory Statement, under Sections 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, the Scheme and the other enclosures as indicated in the index are enclosed.

#### **Chairperson appointed for the Meeting**

Dated this 14<sup>th</sup> day of November, 2018.

**Registered Office:** Survey No 16/3, 26 and 27 Village Ranjitnagar,  
Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India

#### **Notes:**

1. Only Unsecured Creditors of the Applicant Company may attend and vote either in person or in the case of a body corporate by a representative authorised under Section 113 of the Companies Act, 2013 at the Meeting of the Unsecured Creditors of the Applicant Company. The authorised representative of a body

corporate which is a Unsecured Creditor of the Applicant Company may attend and vote at the Meeting of the Unsecured Creditors of the Applicant Company provided a copy of the resolution of the Board of Directors or other governing body of the body corporate authorising such representative to attend and vote at the Meeting of the Unsecured Creditors of the Applicant Company, duly certified to be a true copy by a Director, the Manager, the Secretary or other authorised officer of such body corporate, is deposited at the Registered Office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the Meeting of the Unsecured Creditors of the Applicant Company.

2. The Tribunal by its Order dated 28<sup>th</sup> March, 2019 has directed that a meeting of the Unsecured Creditors of the Applicant Company shall be convened and held at Registered office of the Company situated at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380 on Saturday, the 11<sup>th</sup> day of May 2019 at 12:30 pm for the purpose of considering, and if thought fit, approving, the resolution approving arrangement embodied in the Scheme. Unsecured Creditors would be entitled to vote in the said meeting either in person or through an authorized representative.
3. The quorum of the Meeting of the Unsecured Creditors of the Applicant Company shall be 15(Fifteen) Unsecured Creditors of the Applicant Company, present in person or proxy.
4. Unsecured Creditors or his authorized representative, attending the Meeting, is requested to bring the Attendance Slip duly completed and signed.
5. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured Creditors at the Registered Office of the Applicant Company between 10.00 am and 05.00 pm on all days(except Saturdays, Sundays and public holidays) up to the date of the Meeting.
6. In compliance with the NCLT Order, the Notice is being sent to all the Unsecured Creditors of the Applicant Company whose names appear as on 28<sup>th</sup> February, 2019.
7. The notice convening the Meeting will be published through advertisement in (i) Business Standard in the English language; and (ii) translation thereof in Divya Bhaskar in Gujarati language.
8. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the Unsecured Creditors of the Applicant Company,voting in person or through an authorized representative, vote in favour of the Scheme.
9. Mr. Satyanarain Samdani (Membership No F3677 COP No. 2863), Partner of M/s. Samdani Shah & Kabra, Practicing Company Secretaries and failing him Mr. Suresh Kabra, Partner of M/s. Samdani Shah & Kabra, Practicing Company Secretaries (Membership No. A9711) have been appointed as the scrutinizer to conduct the voting at the venue of the Meeting in a fair and transparent manner.
10. The scrutinizer will submit his report to the Chairman of the Meeting after completion of the scrutiny of the votes cast by the Unsecured Creditors of the Applicant Company at the Meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast at the Meeting will be announced within 48 hours from conclusion of the Meeting. The results, together with the Scrutinizer's Reports, will be displayed at the Registered Office of the Applicant Company, on the website of the Applicant Company, [https://www.gfl.co.in/Scheme\\_of\\_Arrangement\\_Demerger.php](https://www.gfl.co.in/Scheme_of_Arrangement_Demerger.php).

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH  
COMPANY SCHEME APPLICATION NO 46 OF 2019**

In the matter of Companies Act, 2013;

And

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

And

In the matter of Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders

<b>Gujarat Fluorochemicals Limited,</b>	)	
a company incorporated under the provisions	)	
of the Companies Act, 1956, and having its	)	
Registered Office at Survey No 16/3,	)	
26 and 27, Village Ranjitnagar, Taluka Ghoghamba,	)	
District Panchmahal, Gujarat-389380	)	<b>..... Applicant Company</b>

**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, ARRANGEMENT AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE NCLT CONVENED MEETING OF THE UNSECURED CREDITORS OF THE APPLICANT COMPANY**

1. Pursuant to an Order dated 28<sup>th</sup> March, 2019 passed by the National Company Law Tribunal, Ahmedabad Bench (“**NCLT**” or “**Tribunal**”) in the Company Application no. 46/230-232/NCLT/AHM/2019, a Meeting of the Unsecured Creditors of Gujarat Fluorochemicals Limited (hereinafter referred to as “**Applicant Company**” or “**Demerged Company**” or “**GFL 1**” or “**Company**”) is being convened and held at Registered office of the Company situated at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380 on Saturday, 11<sup>th</sup> May, 2019. at 12:30 pm for the purpose of considering and if thought fit, approving with or without modifications the proposed Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (**'the Scheme'**).
2. The draft Scheme was placed before the Audit Committee and Board of Directors of the Applicant Company at their Meeting held on 14<sup>th</sup> day of November, 2018. In accordance with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017, the Audit Committee of the Company vide a resolution passed on 14<sup>th</sup> day of November, 2018 recommended the Scheme to the Board of Directors of the Applicant Company *inter-alia* taking into account:
  - a) The Share Entitlement Report issued by Walker Chandiook & Co LLP dated 13<sup>th</sup> day of November, 2018 for issue of shares pursuant to the Scheme;
  - b) The Fairness Opinion issued by Keynote Corporate Services Limited, an independent Category I Merchant Banker dated 13<sup>th</sup> day of November, 2018 on the fairness of the Valuation Report;
  - c) Statutory Auditors' certificate dated 13<sup>th</sup> day of November, 2018 issued by Kulkarni and Company, Chartered Accountants, Statutory Auditors of the Applicant Company, in relation to the accounting treatment prescribed in the Scheme.



3. Copy of the Share Entitlement Report and the Fairness Opinion are enclosed to this Notice.
4. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Applicant Company had come to the conclusion that the Scheme is in the interest of the Applicant Company and its Shareholders. A copy of the Scheme, as approved by the Board of Directors of the respective companies, is enclosed herewith to this Notice

5. **BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:**

**Gujarat Fluorochemicals Limited (“Applicant Company” or “Demerged Company” or “GFL 1” or “Company”)**

- a) Gujarat Fluorochemicals Limited was incorporated as a Public Limited Company on 4<sup>th</sup> February, 1987 under the name ‘Gujarat Fluorochemicals Limited’. Name of the Applicant Company was changed to ‘Gujarat Fluorochemicals Limited’ vide fresh certificate of incorporation consequent upon change of name dated 9<sup>th</sup> January, 1990. There has been no further change in the name of the Applicant Company in the last five (5) years. The Corporate Identification Number of the Applicant Company is L24110GJ1987PLC009362. Permanent Account Number of the Applicant Company is AAACG6725H. Email id of the Applicant Company is [bvdesai@gfl.co.in](mailto:bvdesai@gfl.co.in).
- b) The Registered Office of the Applicant Company is situated at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380, India. There has been no further change in the Registered Office address of the Applicant Company in the last five (5) years
- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of the Applicant Company as on 31<sup>st</sup> March, 2018 are as under:

Particulars	Amount (Rs.)
<b>Authorized Share Capital</b>	
20,00,00,000 Equity Shares of Re. 1/- each	20,00,00,000
<b>TOTAL</b>	<b>20,00,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
10,98,50,000 Equity Shares of Re. 1/- each	10,98,50,000
<b>TOTAL</b>	<b>10,98,50,000</b>

The shares of the Applicant Company are currently listed on BSE Limited and National Stock Exchange of India Limited.

- d) The Applicant Company is engaged in the business of manufacturing of chemicals, fluoropolymers, refrigerants etc. It also carries on other business through its investments in group companies, including Inox Wind Limited (“IWL”) engaged in the business of providing wind energy solutions and in Inox Leisure Limited (“ILL”) engaged in the Entertainment business. Shares of IWL and ILL are also listed on the BSE Limited and the National Stock Exchange of India Limited.
- e) The objects for which the Applicant Company has been established are set out in its Memorandum of Association. The extracts of the main objects of the Applicant Company are set out hereunder:
  - A. *THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE*
    1. *To carry on the business of manufacture, store, process, buy, sell, distribute, market, export, import or otherwise deal in refrigerant gases of all types including chlorofluoro carbon, refrigerant gases, their mixtures, hydrofluoric acid, by products and derivatives, fluorine products, polymers and organic and inorganic compounds and intermediates and*

*to manufacture, assemble, fabricate, repair and maintain apparatus, equipments, plant, machinery and devices used in manufacture, transportation, delivery and application of all kinds of gases including hydrofluoric acid, refrigerant gases, their derivatives, compounds and by-products.*

2. *To carry on the business of manufacture, store, export, import, buy, sell, market, distribute or otherwise deal in all kinds of gases and their residual and by-products, intermediates, organic and inorganic chemicals and chemical products and compounds and of plant, machinery and equipment and raw materials used in the manufacture of any of the aforesaid products.*

**Inox Fluorochemicals Limited (“Resulting Company” or “GFL 2”)**

- a) Inox Fluorochemicals Limited was incorporated as a Public Limited Company under the Companies Act, 2013 on 6<sup>th</sup> day of December, 2018. There has been no further change in the name of the Resulting Company since its incorporation. The Corporate Identification Number of the Resulting Company is U24304GJ2018PLC105479. Permanent Account Number of GFL 2 is AAFCI0903C. Email id of GFL 2 is bvdesai@gfl.co.in.
- b) The Registered Office of the Resulting Company situated at the time of incorporation was Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat-389380, India.
- c) The details of the issued, subscribed and paid-up share capital of GFL 2 as on 6<sup>th</sup> December, 2018 are as under:

Particulars	In Rupees
<b>Authorised Capital</b>	
1,00,000 Equity shares of Re.1 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
1,00,000 Equity shares of Re.1 each	1,00,000
<b>Total</b>	<b>1,00,000</b>

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Resulting Company.

- d) The Resulting Company is engaged in the business of manufacturing of chemicals, fluoropolymers, refrigerants etc.
- e) The objects for which the Resulting Company has been established are set out in its Memorandum of Association. The extract of the main objects of the Resulting Company are set out hereunder:

**A. THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE AS UNDER:-**

1. *To carry on the business of manufacture, store, process, buy, sell, distribute, market, export, import or otherwise deal in refrigerant gases of all types including refrigerant gases, their mixtures, hydrofluoric acid, by products and derivatives, fluorine products, polymers and organic and inorganic compounds and intermediates and to manufacture, assemble, fabricate, repair and maintain apparatus, equipments, plant, machinery and devices used in manufacture, transportation, delivery and application of all kinds of gases including hydrofluoric acid, refrigerant gases, their derivatives, compounds and by-products.*

2. *To carry on the business of manufacture, store, export, import, buy, sell, market, distribute or otherwise deal in all kinds of gases and their residual and by-products, intermediates, organic and inorganic chemicals and chemical products and compounds and of plant, machinery and equipment and raw materials used in the manufacture of any of the aforesaid products.*
3. *To carry on in India, or elsewhere, in collaboration or otherwise, the business of manufacturers of and dealers in caustic soda, chlorine, chloromethanes, hydrochloric acids, chlorinated products and all the chemicals, chemical compounds (organic and inorganic) in all forms, and chemical products of any nature and kind whatsoever, and all by-products and joint products thereof.*

## 6. **BACKGROUND OF THE SCHEME**

The Scheme *inter-alia* provides for the following:

- (i) Demerger of the Chemical Business Undertaking from the Demerged Company to the Resulting Company;
- (ii) Cancellation of equity shares held by the Demerged Company in the Resulting Company; and
- (iii) Issue of equal number of equity shares by the Resulting Company to the Shareholders of the Demerged Company.

## 7. **RATIONALE OF THE SCHEME**

The Scheme is proposed to achieve the following benefits:

- a. Segregation of Businesses: GFL 1 is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL 1 is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL 1 are distinct and diverse in its business characteristics with different risk and return profiles, and capital and operational requirements. Thus the Scheme will help in segregating different businesses having different risk and return profiles, thus providing investors with better flexibility to select investments which best suit their investment strategies and risk profile.
- b. Administrative efficiencies: The Management of GFL 1 believes that the Scheme will result in economies in business operations, provide optimal utilization of resources and greater administrative efficiencies.
- c. Focused growth strategy: The Scheme will allow the management to have a focused growth strategy for each of the businesses.
- d. Investment opportunity: The Management of GFL 1 believes that there may be a segment of investors who may wish to invest only in the Chemical business. These investors are presently deprived of the opportunity of investing in only a Chemical business, and the implementation of the Scheme will provide them with this opportunity.
- e. Unlocking value: The proposed demerger of the Chemical business will unlock value for the existing Shareholders.

## 8. **SALIENT FEATURES OF THE SCHEME**

Salient features of the Scheme are set out as below:

- This Scheme of Arrangement is presented under Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as may be applicable, for demerger

of Chemical Business Undertaking of Gujarat Fluorochemicals Limited with Inox Fluorochemicals Limited.

- “Appointed Date” means 1<sup>st</sup> April, 2019;
- “Effective Date” or “coming into effect of this Scheme” or “upon the Scheme becoming effective” or “effectiveness of the Scheme” means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by GFL 1 and GFL 2 with the jurisdictional Registrar of Companies;
- Upon the Scheme becoming effective and upon vesting of the Chemical Business Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the Shareholders of the Demerged Company whose name appears in the Register of Members of the Demerged Company as on Record Date (as may be decided by the Board of Directors of Resulting Company), their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:  
  
*“ 1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re. 1 each fully paid up held in the Demerged Company.”*
- Upon the issue of shares by the Resulting Company in accordance with Scheme, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment. Accordingly, the share capital of the Resulting Company shall stand reduced to the extent of the face value of shares held by the Demerged Company and its nominees upon the issue of shares by the Resulting Company in accordance with the Scheme.
- The Demerged Company and Resulting Company shall account for the Scheme in their respective books / financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including the treatment as provided in the Scheme
- The difference, if any, between the Net Assets and Transferred Reserves (transferred pursuant to clause 7.1.3) pertaining to the Chemical Business Undertaking demerged from Demerged Company pursuant to this Scheme shall be adjusted against the balance in General Reserves or Retained Earnings of the Demerged Company.
- All costs, charges, taxes including duties, levies and all other expenses, if any, (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

## 9. APPROVALS

- 9.1. Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. The Applicant Company has received the observation letters from BSE dated 15<sup>th</sup> February, 2019 and NSE dated 18<sup>th</sup> February, 2019 conveying their no-objection to the Scheme (“**Observation Letters**”). Copies of the aforesaid Observation Letters are enclosed herewith.

- 9.2. BSE and NSE vide their Observation Letters have advised that SEBI has given following comments on the Scheme of Arrangement:
- a. *Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the websites of the listed company.*
  - b. *Company shall duly comply with various provisions of the Circulars.*
  - c. *Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the Company is obliged to bring the observations to the notice of NCLT.*
  - d. *The Company shall ensure that the applicable information pertaining to unlisted companies - Inox Fluorochemicals Limited is included in abridged prospectus as per specified format.*
  - e. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft Scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*
- 9.3. As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE on 15<sup>th</sup> January, 2019 and NSE on 31<sup>st</sup> day of January, 2019. A copy of the aforementioned Complaints Report are enclosed herewith.

#### 10. CAPITAL STRUCTURE PRE AND POST ARRANGEMENT

The pre-Arrangement capital structure of the Applicant Company is mentioned in paragraph 6 above. Post the Arrangement capital structure of the Applicant Company would be the same. Post Arrangement, the equity shares held by the Demerged Company in the Resulting Company shall stand cancelled and as a consideration for the Arrangement similar number of shares will be issued to the Equity Shareholders of the Demerged Company.

The pre-Arrangement capital structure of the Demerged Company is mentioned in paragraph 6 above. Post the Arrangement, the capital structure of the Resulting Company shall be as under:

Particulars	Amount (Rs.)
<b>Authorized Share Capital</b>	
20,00,00,000 Equity Shares of Re. 1/- each	20,00,00,000
<b>TOTAL</b>	<b>20,00,00,000</b>
<b>Issued, subscribed and paid-up Share Capital</b>	
10,98,50,000 Equity Shares of Re. 1/- each	10,98,50,000
<b>TOTAL</b>	<b>10,98,50,000</b>

11. **PRE AND POST ARRANGEMENT SHAREHOLDING PATTERN**

11.1. The pre and post Arrangement shareholding pattern of the Applicant Company as on 31<sup>st</sup> December, 2018 is as follows:

Particulars		Pre-Arrangement		Post-Arrangement	
Sl. No.	Description	No. of shares	%	No. of shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
	<b>Individuals/ Hindu Undivided Family</b>				
	Vivek Kumar Jain	20100	0.02	20100	0.02
	Devendra Kumar Jain	20100	0.02	20100	0.02
	Pavan Kumar Jain	20100	0.02	20100	0.02
	Siddharth Jain	20000	0.02	20000	0.02
	Devansh Jain	10000	0.01	10000	0.01
	Kapoor Chand Jain	10000	0.01	10000	0.01
	Nandita Jain	10000	0.01	10000	0.01
	Hem Kumari	10000	0.01	10000	0.01
	Nayantara Jain	10000	0.01	10000	0.01
	Sita Devi*	6000	0.01	6000	0.01
	<b>Any Other (specify) Bodies Corporate</b>				
	Inox Leasing And Finance Limited	57715310	52.54	57715310	52.54
	Devansh Trademart LLP	6662360	6.06	6662360	6.06
	Inox Chemicals LLP	2955230	2.69	2955230	2.69
	Siddhapavan Trading LLP	5576440	5.08	5576440	5.08
	Siddho Mal Trading LLP	2019260	1.84	2019260	1.84
	<b>Sub Total(A)(1)</b>	<b>75064900</b>	<b>68.33</b>	<b>75064900</b>	<b>68.33</b>
<b>2</b>	<b>Foreign</b>				
	<b>Sub Total(A)(2)</b>	Nil	N.A.	Nil	N.A.
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>75064900</b>	<b>68.33</b>	<b>75064900</b>	<b>68.33</b>
<b>(B)</b>	<b>Public shareholding</b>				
<b>B1)</b>	<b>Institutions</b>				
	Mutual Funds	3775163	3.44	3775163	3.44
	<i>HDFC Small Cap Fund</i>	<i>2181819</i>	<i>1.99</i>	<i>2181819</i>	<i>1.99</i>
	Foreign Portfolio Investors	4626717	4.21	4626717	4.21
	<i>Fil Investments(Mauritius)ltd</i>	<i>1243605</i>	<i>1.13</i>	<i>1243605</i>	<i>1.13</i>
	Financial Institutions/ Banks	100042	0.09	100042	0.09
	<b>Sub Total (B)(1)</b>	<b>8501922</b>	<b>7.74</b>	<b>8501922</b>	<b>7.74</b>
<b>B2)</b>	Central Government/ State Government(s)/ President of India	100	0.00	100	0.00

Particulars		Pre-Arrangement		Post-Arrangement	
SI. No.	Description	No. of shares	%	No. of shares	%
	<b>Sub Total (B)(2)</b>	<b>100</b>	<b>0.00</b>	<b>100</b>	<b>0.00</b>
<b>B3)</b>	<b>Non-institutions</b>				
	Individual Shareholders holding nominal share capital up to Rs. 2 lakhs.	7785935	7.09	7785935	7.09
	Individual Shareholders holding nominal share capital in excess of Rs. 2 lakhs.	4122845	3.75	4122845	3.75
	NBFCs registered with RBI	166301	0.15	166301	0.15
	Any Other (Specify)	14207997	12.93	14207997	12.93
	IEPF	331687	0.30	331687	0.30
	Clearing Members-Category	187105	0.17	187105	0.17
	Trust	150	0.00	150	0.00
	NRI	620050	0.56	620050	0.56
	Foreign Nationals	334	0.00	334	0.00
	HUF	2645814	2.41	2645814	2.41
	Bodies Corporate	10422857	9.49	10422857	9.49
	<i>Aadi Financial Advisors Llp</i>	<i>1270831</i>	<i>1.16</i>	<i>1270831</i>	<i>1.16</i>
	<i>Blue Daimond Properties Private Limited</i>	<i>1219251</i>	<i>1.11</i>	<i>1219251</i>	<i>1.11</i>
	<i>Bhanshali Manek Huf</i>	<i>1354943</i>	<i>1.23</i>	<i>1354943</i>	<i>1.23</i>
	<b>Sub-Total (B)(3)</b>	<b>26283078</b>	<b>23.93</b>	<b>26283078</b>	<b>23.93</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>34785100</b>	<b>31.67</b>	<b>34785100</b>	<b>31.67</b>
<b>(C1)</b>	Shares underlying DRs	Nil	N.A.	Nil	N.A.
<b>(C2)</b>	Shares held by Employee Trust	Nil	N.A.	Nil	N.A.
<b>(C)</b>	Non Promoter-Non Public	Nil	N.A.	Nil	N.A.
	<b>GRAND TOTAL</b>	<b>109850000</b>	<b>100</b>	<b>109850000</b>	<b>100</b>

\*Post 31<sup>st</sup> December, 2018, Ms. Sita Devi has sold her shares and the Company has made necessary disclosures for the same.

11.2. The pre and post Arrangement shareholding pattern of the Resulting Company as on 6<sup>th</sup> December, 2018 is as follows:

Particulars		Pre-Arrangement		Post-Arrangement	
Sl. No.	Description	No. of shares	%	No. of shares	%
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>				
<b>1</b>	<b>Indian</b>				
	<b>Individuals/ Hindu Undivided Family</b>				
	Vivek Kumar Jain	100**	0.10	20100	0.02
	Devendra Kumar Jain	-	-	20100	0.02
	Pavan Kumar Jain	100**	0.10	20100	0.02
	Siddharth Jain	-	-	20000	0.02
	Devansh Jain	100**	0.10	10000	0.01
	Kapoor Chand Jain	-	-	10000	0.01
	Nandita Jain	-	-	10000	0.01
	Hem Kumari	-	-	10000	0.01
	Nayantara Jain	-	-	10000	0.01
	Sita Devi*	-	-	6000	0.01
	Deepak Ranjit Asher	100**	0.10	-	-
	Dinesh Kumar Sachdeva	100**	0.10	-	-
	Mukesh Patni	100**	0.10	-	-
	<b>Any Other (specify)</b>				
	<b>Bodies Corporate</b>				
	Gujarat Fluorochemicals Limited	99400	99.40	-	-
	Inox Leasing And Finance Limited	-	-	57715310	52.54
	Devansh Trademart LLP	-	-	6662360	6.06
	Inox Chemicals LLP	-	-	2955230	2.69
	Siddhapavan Trading LLP	-	-	5576440	5.08
	Siddho Mal Trading LLP	-	-	2019260	1.84
	<b>Sub Total(A)(1)</b>	<b>100000</b>	<b>100</b>	<b>75064900</b>	<b>68.33</b>
<b>2</b>	<b>Foreign</b>				
	<b>Sub Total(A)(2)</b>	Nil	N.A.	Nil	N.A.
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>100000</b>	<b>100</b>	<b>75064900</b>	<b>68.33</b>
<b>(B)</b>	<b>Public shareholding</b>				
<b>B1)</b>	<b>Institutions</b>				
	Mutual Funds	-	-	3775163	3.44
	<i>HDFC Small Cap Fund</i>	-	-	2181819	1.99
	Foreign Portfolio Investors	-	-	4626717	4.21
	<i>Fil Investments(Mauritius)ltd</i>	-	-	1243605	1.13
	Financial Institutions/ Banks	-	-	100042	0.09
	<b>Sub Total B1</b>	Nil	N.A.	<b>8501922</b>	<b>7.74</b>



Particulars		Pre-Arrangement		Post-Arrangement	
Sl. No.	Description	No. of shares	%	No. of shares	%
<b>B2)</b>	Central Government/ State Government(s)/ President of India	-	-	100	0.00
	<b>Sub-Total (B)(2)</b>	Nil	N.A.	<b>100</b>	<b>0.00</b>
<b>B3)</b>	<b>Non-institutions</b>				
	Individual Shareholders holding nominal share capital up to Rs. 2 lakhs.	-	-	7785935	7.09
	Individual Shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	4122845	3.75
	NBFCs registered with RBI	-	-	166301	0.15
	Any Other (Specify)	-	-	14207997	12.93
	IEPF	-	-	331687	0.30
	Clearing Members-Category	-	-	187105	0.17
	Trust	-	-	150	0.00
	NRI	-	-	620050	0.56
	Foreign Nationals	-	-	334	0.00
	HUF	-	-	264581427	2.41
	Bodies Corporate	-	-	10422857	9.49
	<i>Aadi Financial Advisors Llp</i>	-	-	<i>1270831</i>	<i>1.16</i>
	<i>Blue Daimond Properties Private Limited</i>	-	-	<i>1219251</i>	<i>1.11</i>
	<i>Bhanshali Manek Huf</i>	-	-	<i>1354943</i>	<i>1.23</i>
	<b>Sub-Total (B)(3)</b>	Nil	N.A.	<b>26283078</b>	<b>23.93</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	Nil	N.A.	<b>34785100</b>	<b>31.67</b>
<b>(C1)</b>	Shares underlying DRs	Nil	N.A.	Nil	N.A.
<b>(C2)</b>	Shares held by Employee Trust	Nil	N.A.	Nil	N.A.
<b>(C)</b>	Non Promoter-Non Public	Nil	N.A.	Nil	N.A.
	<b>GRAND TOTAL</b>	<b>100000</b>	<b>100</b>	<b>109850000</b>	<b>100</b>

\*Post 31<sup>st</sup> December, 2018, Ms. Sita Devi has sold her shares and the Company has made necessary disclosures for the same.

\*\* Nominee Shareholders of the Applicant Company i.e. Gujarat Fluorochemicals Limited

## 12. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

12.1. The Directors and Key Managerial Personnel (KMP) and their respective relatives of the Applicant Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Applicant Company, or to the extent the said Directors/KMP are the partners, directors, Members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in the Applicant Company. Save as aforesaid, none of the Directors, Managing Director or the Manager or KMP of the Applicant have any material interest in the Scheme.

12.2. The details of the present directors and KMP of the Applicant Company and their respective shareholdings in the Applicant Company and the Resulting Company as on 31<sup>st</sup> December, 2018 are as follows:

Name of Directors / KMP	Designation	Equity Shares of Re. 1/- each in the Applicant Company	Equity Shares of Re. 1/- each in the Resulting Company
Chandra Prakash Jain	Director	-	-
Shanti Prashad Jain	Director	-	-
Devendra Kumar Jain	Director	20,100	-
Vivek Kumar Jain	Managing Director	20,100	100*
Pavan Kumar Jain	Director	20,100	100*
Deepak Ranjit Asher	Director	-	100*
Dinesh Kumar Sachdeva	Whole time Director	-	100*
Shailendra Swarup	Director	-	-
Om Prakash Lohia	Director	-	-
Rajagopalan Doraiswami	Director	-	-
Vanita Bhargava	Director	-	-
Anand Rambhau Bhusari	Whole time Director	-	-
Bhavin Vipin Desai	Company Secretary	-	-
Manoj Shripati Agarwal	CFO (KMP)	-	-

\* Nominee Shareholders of the Applicant Company i.e. Gujarat Fluorochemicals Limited

12.3. The details of the present directors and KMP of the Resulting Company and their respective shareholdings in the Resulting Company and the Applicant Company as on 31<sup>st</sup> December, 2018 are as follows:

Name of Directors / KMP	Designation	Equity Shares of Re. 1/- each in the Resulting Company	Equity Shares of Re. 1/- each in the Applicant Company
Chandra Prakash Jain	Director	-	-
Shanti Prashad Jain	Director	-	-
Devendra Kumar Jain	Director	-	20,100
Vivek Kumar Jain	Director	100**	20,100
Pavan Kumar Jain	Director	100**	20,100
Deepak Ranjit Asher	Director	100**	-
Dinesh Kumar Sachdeva	Whole time Director	100**	-
Shailendra Swarup	Director	-	-
Om Prakash Lohia	Director	-	-
Rajagopalan Doraiswami	Director	-	-
Vanita Bhargava	Director	-	-
Anand Rambhau Bhusari	Whole time Director	-	-

\*\* Nominee Shareholders of the Applicant Company i.e. Gujarat Fluorochemicals Limited

### 13. GENERAL

- 13.1. As on the date of this notice, the Applicant Company is the Holding Company of the Resulting Company and all the Directors of the Applicant Company are also the Directors of Resulting Company.
- 13.2. The Applicant Company and the Resulting Company have made joint application before the National Company Law Tribunal, Ahmedabad Bench for the sanction of the Scheme under Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.
- 13.3. The amount due from the Applicant Company to its Secured Creditors as on 31<sup>st</sup> December, 2018 is Rs. 1,44,24,41,950.84 (Rupees One Hundred and Forty Four Crores Twenty Four Lacs Forty One Thousand Nine Hundred Fifty and Eighty Four paisa only).
- 13.4. The amount due from the Applicant Company to its Unsecured Creditors as on 31<sup>st</sup> December, 2018 is Rs. 9,54,36,18,053.82 (Rupees Nine Hundred and Fifty Four Crores Thirty Six Lacs Eighteen Thousand Fifty Three and Eighty Two paisa only).
- 13.5. The amount due from the Resulting Company to its Secured Creditors as on 31<sup>st</sup> December, 2018 is Rs. NIL.
- 13.6. The amount due from the Resulting Company to its Unsecured Creditors as on 31<sup>st</sup> December, 2018 is Rs. NIL.
- 13.7. In relation to the Meeting of the Applicant Company, Unsecured Creditors of the Applicant Company whose names are appearing in the records of the Applicant Company as on 28<sup>th</sup> February, 2019 shall be eligible to attend and vote at the Meeting of the Unsecured Creditors of the Applicant Company either in person or by proxies or authorized representative convened as per the directions of the Tribunal.
- 13.8. Under the Scheme, there is no Arrangement with the creditors of the Applicant Company. No compromise is offered under the Scheme to any of the creditors of the Applicant Company. The liability to the creditors of the Applicant Company, under the Scheme, is neither reduced nor being extinguished.
- 13.9. None of Directors and KMPs of the Applicant Company or their respective relatives is in any way connected or interested in the aforesaid resolution except to the extent of their respective shareholding, if any.
- 13.10. 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 Company.
- 13.11. The Applicant Company and the Resulting 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, Securities Exchange Board of India, BSE Limited, The National Stock Exchange of India Limited and Income-tax authorities as may be applicable and it will obtain the same at the relevant time.
- 13.12. 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 null and void.

13.13.Names and addresses of the Directors and Promoters of the Applicant Company are as under:

SI. No.	Name of Director	Address
1.	Chandra Prakash Jain	396-C, Sheikh Sarai Phase-I New Delhi 110017 Delhi India
2.	Shanti Prashad Jain	J-57, Ashok Vihar, Phase -1 Delhi 110052 Delhi India
3.	Devendra Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
4.	Vivek Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
5.	Pavan Kumar Jain	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
6.	Deepak Ranjit Asher	17/1,Utkanth Society, B/H-Alkapuri Club, Alkapuri Vadodara 390007 Gujarat India
7.	Dinesh Kumar Sachdeva	BP-2, Vrajdeep Apartments, Opp. Rokadnath Soc. Race Course, Vadodara 390007 Gujarat India
8.	Shailendra Swarup	127, Sunder Nagar New Delhi 110003 India
9.	Om Prakash Lohia	R-69, Greater Kailash Part-1 New Delhi 110048 India
10	Rajagopalan Doraiswami	6123, Embassy Pristine, Iblur, B/H Suncity Apartment, Bellandur, Bengaluru 560103 Karnataka India
11.	Vanita Bhargava	C-322, First Floor Defence Colony, New Delhi 110024 India
12.	Anand Rambhau Bhusari	E-1, Sector-1, Near Gokul Guest-House, Petrochemicals Township, Vadodara 391345 Gujarat India

SI. No.	Name of Promoter	Address
1.	Vivek Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
2.	Devendra Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
3.	Pavan Kumar Jain	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
4.	Siddharth Jain	94, Benzer Terrace , Sea Face Worli, Mumbai 400018, Maharashtra, India
5.	Devansh Jain	47, Golf Links New Delhi 110003 Delhi India
6.	Kapoor Chand Jain	C/o Siddhomal Paper Convesion Co, 611 Kailash Building, 26 KG Marg, New Delhi 110001
7.	Nandita Jain	47, Golf Links New Delhi 110003 Delhi India
8.	Hem Kumari	C/o Siddhomal Paper Convesion Co, 611 Kailash Building, 26 KG Marg, New Delhi 110001
9.	Nayantara Jain	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
10	Sita Devi	36, Golf Links New Delhi 110003 India
11.	Inox Leasing And Finance Limited	69 Jolly Maker Chambers Nariman Point Mumbai – 400021, Maharashtra India
12.	Devansh Trademart LLP	Inox Group,612-618 Narain Manzil 06th Floor, 23, Barakhamba Road New Delhi Central Delhi - 110001 India
13.	Inox Chemicals LLP	Inox Group,612-618 Narain Manzil 06th Floor, 23, Barakhamba Road New Delhi Central Delhi - 110001 India
14.	Siddhapavan Trading LLP	Inox Group. 612-618 Narain Manzil. 6th Floor 23 Barakhamba Road New Delhi New Delhi - 110001 India
15.	Siddho Mal Trading LLP	Inox Group,612-618 Narain Manzil 06th Floor, 23, Barakhamba Road New Delhi Central Delhi - 110001 India

13.14.Names and addresses of the directors and promoters of the Resulting Companyare as under:

SI. No.	Name of Director	Address
1.	Chandra Prakash Jain	396-C, Sheikh Sarai Phase-I New Delhi 110017 Delhi India
2.	Shanti Prashad Jain	J-57, Ashok Vihar, Phase -1 Delhi 110052 Delhi India
3.	Devendra Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
4.	Vivek Kumar Jain	47, Golf Links New Delhi 110003 Delhi India
5.	Pavan Kumar Jain	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
6.	Deepak Ranjit Asher	17/1,Utkanth Society, B/H-Alkapuri Club, Alkapuri Vadodara 390007 Gujarat India
7.	Dinesh Kumar Sachdeva	BP-2, Vrajdeep Appartments, Opp. Rokadnath Soc. Race Course, Vadodara 390007 Gujarat India
8.	Shailendra Swarup	127, Sunder Nagar New Delhi 110003 Delhi India
9.	Om Prakash Lohia	R-69, Greater Kailash Part-1 New Delhi 110048 Delhi India
10	Rajagopalan Doraiswami	6123, Embassy Pristine, Iblur, B/H Suncity Appartment, Bellandur, Bengaluru 560103 Karnataka India
11.	Vanita Bhargava	C-322, First Floor Defence Colony, New Delhi 110024 Delhi India
12.	Anand Rambhau Bhusari	E-1, Sector-1, Near Gokul Guest-House, Petrochemicals Township, Vadodara 391345 Gujarat India

SI. No.	Name of Promoter	Address
1.	Gujarat Fluorochemicals Limited	Survey No 16/3, 26 and27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India
2.	Vivek Kumar Jain*	47, Golf Links New Delhi 110003 Delhi India
3.	Deepak Ranjit Asher*	17/1,Utkanth Society, B/H-Alkapuri Club, Alkapuri Vadodara 390007 Gujarat India
4.	Pavan Kumar Jain*	31, Benzer Terrace, A.G.Khan Road, Worli Mumbai 400018 Maharashtra, India
5.	Dinesh Kumar Sachdeva*	BP-2, VrajdeepAppartments, Opp. Rokadnath Soc. Race Course, Vadodara 390007 Gujarat India
6.	Devansh Jain*	47 ,Golf Links New Delhi 110003 Delhi India
7.	Mukesh Patni*	113, Shikha Apartment, 48 IP Extension, Patparganj, Delhi-110092

\*Nominee shareholders holding shares on behalf of Gujarat Fluorochemicals Limited.

13.15.Details of Directors of the Applicant Company who voted in favour / against / did not participate on resolution passed at the Meeting of the Board of Directors of the Applicant Company held on 14<sup>th</sup> November,2018 are given below:

SI. No.	Name of Director	Voted in favour / against / did not participate
1.	Chandra Prakash Jain	Favour
2.	Shanti Prashad Jain	Favour
3.	Devendra Kumar Jain	Favour
4.	Vivek Kumar Jain	Favour
5.	Pavan Kumar Jain	Leave of Absence

Sl. No.	Name of Director	Voted in favour / against / did not participate
6.	Deepak Ranjit Asher	Favour
7.	Dinesh Kumar Sachdeva	Leave of Absence
8.	Shailendra Swarup	Favour
9.	Om Prakash Lohia	Favour
10.	Rajagopalan Doraiswami	Favour
11.	Vanita Bhargava	Leave of Absence
12.	Anand Rambhau Bhusari	Leave of Absence

- 13.16. Details of directors of the Resulting Company who voted in favour / against / did not participate on resolution passed at the Meeting of the Board of Directors of the Resulting Company held on 12<sup>th</sup> December, 2018 are given below:

Sl. No.	Name of Director	Voted in favour / against / did not participate
1.	Chandra Prakash Jain	Favour
2.	Shanti Prashad Jain	Favour
3.	Devendra Kumar Jain	Favour
4.	Vivek Kumar Jain	Favour
5.	Pavan Kumar Jain	Leave of Absence
6.	Deepak Ranjit Asher	Favour
7.	Dinesh Kumar Sachdeva	Leave of Absence
8.	Shailendra Swarup	Favour
9.	Om Prakash Lohia	Favour
10.	Rajagopalan Doraiswami	Leave of Absence
11.	Vanita Bhargava	Favour
12.	Anand Rambhau Bhusari	Leave of Absence

- 13.17. For the purpose of Scheme of Arrangement of the Applicant Company and the Resulting Company and their Shareholders, M/s Walker Chandiook & Co. LLP, have recommended the share entitlement ratio of allotment of equity shares. Accordingly, 1 (one) equity share shall be issued by the Resulting Company for 1 (one) equity share held in the Applicant Company as on the Record Date to the Shareholders of the Applicant Company. Keynote Corporate Services Limited, a Category I Merchant Banker after having reviewed the share entitlement report of M/s Walker Chandiook & Co. LLP and on consideration of all the relevant factors and circumstances, opined that in their view the independent valuer's proposed share allotment is fair.
- 13.18. A report adopted by the Directors of the Applicant Company, explaining effect of the Scheme on each class of Shareholders, key managerial personnel, promoters and non-promoter Shareholders, laying out in particular the share allotment, is attached here with. The Applicant 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 Applicant Company are concerned.
- 13.19. A copy of the Supplementary Unaudited Financial Statement of the Applicant Company as on 31<sup>st</sup> December, 2018 and the Audited Financial Statement of the Resulting Company as on 12<sup>th</sup> December, 2018 are attached herewith.
- 13.20. As stated in the Scheme, all the permanent staff, workmen and employees of the Applicant Company engaged in or in relation to the Chemical business undertaking who are in service as on

the Effective Date shall become staff, workmen and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment shall not be less favorable than those applicable to them with reference to their employment with the respective Demerged Company as on the Effective Date.

- 13.21. The following documents will be open for inspection to the Unsecured Creditors of the Applicant Company at its Registered Office at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India, between 10.00 am and 05.00 pm on all days (except Saturdays, Sundays and public holidays) upto the date of the Meeting:
- (i) Copy of the order passed by the NCLT in Company Scheme Application No. 46/NCLT/AHM/2019 dated 28<sup>th</sup> March, 2019 of the Applicant Company and the Resulting Company;
  - (ii) Copy of the Company Scheme Application No. 46 of 2019 along with annexures filed by the Applicant Company and the Resulting Company before NCLT;
  - (iii) Copy of the Memorandum and Articles of Association of the Applicant Company and the Resulting Company, respectively;
  - (iv) Copy of the Annual Reports of the Applicant Company for the financial year ended 31<sup>st</sup> March, 2016, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018;
  - (v) Copy of the Supplementary Unaudited Financial Statement of the Applicant Company for the period ended 31<sup>st</sup> December, 2018 and the Audited Financial Statement of the Resulting Company for the period ended 12<sup>th</sup> December, 2018;
  - (vi) Copy of the Register of Directors', shareholding of the Applicant Company and the Resulting Company, respectively;
  - (vii) Copy of Share Entitlement Report, dated 13<sup>th</sup> day of November, 2018 submitted by M/s Walker Chandiok & Co. LLP;
  - (viii) Copy of the Fairness Opinion, dated 13<sup>th</sup> day of November, 2018 issued by Keynote Corporate Services Limited, to the Board of Directors of the Applicant Company;
  - (ix) Copy of the Audit Committee Report, dated 14<sup>th</sup> day of November, 2018, of the Applicant Company;
  - (x) Copy of the resolutions, dated 14<sup>th</sup> day of November, 2018 passed by the Board of Directors of the Applicant Company and dated 12<sup>th</sup> day of December, 2018 passed by the Board of Directors of the Resulting Company approving the Scheme;
  - (xi) Copy of the extracts of the minutes of the Meetings, held on 14<sup>th</sup> day of November, 2018 and 12<sup>th</sup> day of December, 2018, of the Board of Directors of the Applicant Company and the Resulting Company, respectively, in respect of the approval of the Scheme;
  - (xii) Copy of the Statutory Auditors' certificate dated 13<sup>th</sup> day of November, 2018 issued by M/s. Kulkarni & Company, Chartered Accountants, to the Applicant Company;
  - (xiii) Abridged Prospectus as provided in Part D of Schedule VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations including applicable information pertaining to INOX Fluorochemicals Limited;
  - (xiv) Copy of the Complaint Reports, dated 15<sup>th</sup> day of January, 2019 and 31<sup>st</sup> January, 2019, submitted by the Applicant Company to BSE and NSE respectively;
  - (xv) Copy of the no adverse observations/no objection letter issued by BSE and NSE, dated

15<sup>th</sup> February, 2019 and 18<sup>th</sup> February, 2019, respectively, to the Applicant Company;

- (xvi) Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies along with challan evidencing filing of the Scheme;
- (xvii) Copy of the Scheme; and
- (xviii) Copy of the Reports dated 13<sup>th</sup> February, 2019 and 12<sup>th</sup> December, 2018 adopted by the Board of Directors of the Applicant Company and the Resulting Company, respectively, pursuant to the provisions of Section 232(2) (c) of the Act.

This Statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016. A copy of this Scheme and Explanatory Statement may be obtained free of charge on any working day (except Saturdays, Sundays and public holidays) prior to the date of the Meeting, from the Registered Office of Applicant Company.

**Chairman appointed for the Meeting**

Dated this 14<sup>th</sup> day of November, 2018.

**Registered Office:** Survey No 16/3, 26 and 27, Village Ranjitnagar,  
Taluka Ghoghamba, District Panchmahal, Gujarat – 389380.



**SCHEME OF ARRANGEMENT  
BETWEEN  
GUJARAT FLUOROCHEMICALS LIMITED ('THE DEMERGED COMPANY' OR 'GFL1')  
AND  
INOX FLUOROCHEMICALS LIMITED ('THE RESULTING COMPANY' OR 'GFL 2')  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

**A) Preamble**

1. This Scheme of Arrangement ('Scheme') is presented under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, for demerger of the Chemical business of GFL 1 into the Resulting Company.
2. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**B) Rationale for the Scheme**

The Scheme shall achieve the following benefits:

- Segregation of Businesses: GFL 1 is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL 1 is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL 1 are distinct and diverse in its business characteristics with different risk and return profiles, and capital and operational requirements. Thus the scheme will help in segregating different businesses having different risk and return profiles, thus providing investors with better flexibility to select investments which best suit their investment strategies and risk profile.
- Administrative efficiencies: The management of GFL 1 believes that the scheme will result in economies in business operations, provide optimal utilization of resources and greater administrative efficiencies.
- Focused growth strategy: The scheme will allow the management to have a focused growth strategy for each of the businesses.
- Investment opportunity: The management of GFL 1 believes that there may be a segment of investors who may wish to invest only in the Chemical business. These investors are presently deprived of the opportunity of investing in only a Chemical business, and the implementation of the scheme will provide them with this opportunity.
- Unlocking value: The proposed demerger of the Chemical business will unlock value for the existing shareholders.

Hence, the scheme would be in the best interest of all the stakeholders.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of GFL 1. The Scheme would be in the best interest of all stakeholders in GFL 1.

**C) Parts of the Scheme**

The Scheme is divided into following parts:

- a) **Part A** deals with the Definitions and Share Capital;

- b) **Part B** deals with the demerger of the Chemical Business Undertaking (as defined hereinafter) in to the Resulting Company;
- c) **Part C** deals with the General Terms and Conditions.

## PART A:

### DEFINITIONS AND SHARE CAPITAL

1. In this Scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:
  - 1.1. **“Act” or “the Act”** means the Companies Act, 2013 and Rules framed thereunder as in force from time to time;
  - 1.2. **“Applicable Law”** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force;
  - 1.3. **“Appointed Date”** means 1<sup>st</sup> April, 2019 or such other date as may be fixed by the National Company Law Tribunal or the Board of Directors (as defined hereinafter);
  - 1.4. **“Appropriate Authority”** means any applicable Central, State or local Government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Regional Director, Registrar of Companies, National Company Law Tribunal and Reserve Bank of India;
  - 1.5. **“Board of Directors” or “Board”** in relation to the Demerged Company and the Resulting Company, as the case may be, means the Board of Directors of such company, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the Board or by any such committee;
  - 1.6. **“Demerged Company” or “GFL 1”** means Gujarat Fluorochemicals Limited, a company incorporated under the Companies Act, 1956 and validly subsisting under the Companies Act, 2013, and having its registered office at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat - 389380 India;
  - 1.7. **“Chemical Business Undertaking”** shall mean undertaking, business, activities and operations pertaining to business of manufacturing of chemicals of the Demerged Company comprising of all the assets (movable, immovable, tangible and / or intangible) and liabilities which relate there to, or are necessary therefore and including specifically the following:
    - (a) All assets, title, properties (including leasehold land), interests, investments (including investments in subsidiaries, associates, joint ventures, shares, bonds, debentures, fixed deposits, mutual funds, alternate investment funds, other funds of any category or type, and art works etc. of the Demerged Company), loans, advances (including accrued interest) and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held for use in business, activities and operations, including but not limited to all land together with the buildings and structures standing thereon and rights and interests in all Land more specifically described in **Schedule I**, Factory and Office Building(s), equipment's, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, receivables, vehicles, deposits, all

stocks, assets, balances with banks, cash and cash equivalents, all customer contracts, contingent rights, benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits (net of provisions there against), MAT credit whether or not recorded in the books, unabsorbed depreciation, unabsorbed business tax losses, credit for service tax, sales tax / value added tax / goods and service tax and / or any other statutes, incentives, if any, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc. pertaining to its Chemical Business Undertaking (collectively, the “Chemical Business Undertaking Assets”);

- (b) All debts (secured or unsecured), liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or un-asserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), deferred tax liability, etc. pertaining to the Chemical Business Undertaking activities (collectively, “Chemical Business Undertaking Liabilities”) and for the avoidance of doubts, it excludes guarantees, assurances, commitments and obligations issued or undertaken by the Demerged Company to the banks and / or financial institutions for any business other than the Chemical Business Undertaking);
- (c) All contracts, agreements, licenses, leases, linkages, memoranda of undertakings, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, relating to the undertaking, business, activities and operations pertaining to the Chemical Business Undertaking or otherwise identified to be for the benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, minimum alternate taxes, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by the Demerged Company in relation to its Chemical Business Undertaking, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Chemical Business Undertaking , and all other rights, title, interests, privileges and benefits of every kind in relation to its Chemical Business Undertaking (collectively, “Chemical Business Undertaking Contracts”);
- (d) All registrations, brands, trademarks, trade names, service marks, copyrights, patents (except the patents applications made by/patents under the Patents Act, 1970, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Demerged Company in the Chemical Business Undertaking (collectively, “Chemical Business Undertaking IP”);
- (e) All permits, licenses(including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), environmental clearances, No Objection Certificates, Consent Orders, etc., consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, issued by any legislative, executive, or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, local, administrative or judicial authority exclusively used or held for use by the Demerged Company in the undertaking, business,

activities and operations pertaining to the Chemical Business Undertaking (collectively, “Chemical Business Undertaking Licenses”);

- (f) All such permanent employees of the Demerged Company, employees/personnel engaged on contract basis and contract labourers and interns/ trainees, both on-shore and off-shore, as are primarily engaged in or in relation to the Chemical Business Undertaking, business, activities and operations pertaining to the Chemical Business Undertaking, at its respective offices, branches etc., and any other employees/personnel and contract labourers and interns/trainees hired by the Demerged Company after the date hereof who are exclusively engaged in or in relation to the Chemical Business Undertaking, business, activities and operations pertaining to the Chemical Business Undertaking (collectively, “Chemical Business Undertaking Employees”);
- (g) All liabilities present and future (including contingent liabilities pertaining to or relatable to the Chemical Business Undertaking of the Demerged Company), as may be determined by the Board of the Demerged Company;
- (h) All deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by the Demerged Company, directly or indirectly in connection with or in relation to the Chemical Business Undertaking of the Demerged Company;
- (i) All books, records, files, papers, directly or indirectly relating to the Chemical Business Undertaking of the Demerged Company, whether kept in electronic form or otherwise, but shall not include any portion of the remaining business of the Demerged Company; and
- (j) Any other asset / liability which is deemed to be pertaining to the Chemical Business Undertaking by the Board of the Demerged Company.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Chemical Business Undertaking or whether it arises out of the activities or operations of the Chemical Business Undertaking shall be decided by mutual agreement between the Board of the Demerged Company and the Resulting Company.

- 1.8. “Effective Date” or “coming into effect of this Scheme” or “upon the scheme becoming effective” or “effectiveness of the scheme”** means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by GFL 1 and GFL 2 with the jurisdictional Registrar of Companies;
- 1.9. “National Company Law Tribunal” or “Tribunal” or “NCLT”** means the National Company Law Tribunal, Ahmedabad Bench as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 of the Companies Act, 2013 of the Companies Act, 2013;
- 1.10. “Record Date”** shall be the date to be fixed by the Board of the Resulting Company in consultation with GFL 1 for the purpose of determining the equity shareholders of GFL 1 to whom Resulting Company would issue equity shares pursuant to this Scheme;
- 1.11. “Reserve pertaining to the Chemical Business Undertaking”** means the reserves of the Demerged Company as on the Appointed Date relating to the Chemical Business Undertaking and transferred as a part of Chemical Business Undertaking;
- 1.12. “Resulting Company” OR GFL2** means Inox Fluorochemicals Limited, company incorporated under the Act under Corporate Identification Number **U24304GJ2018PLC105479** and having registered office at Survey No 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat - 389380 India. The Resulting Company is a wholly owned subsidiary of GFL 1;

- 1.13. “Scheme” or “the Scheme” or “this Scheme”** means the Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 16 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws;
- 1.14. “SEBI”** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;
- 1.15. “SEBI Circular”** means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and any amendments thereof or modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015;
- 1.16. “Share Entitlement Ratio”** means the ratio in which the equity shares of Resulting Company are to be issued and allotted to the shareholders of GFL 1 on demerger as per Part B of this Scheme;
- 1.17. “Stock Exchanges”** means the BSE Limited (‘BSE’) and/ or wherever applicable, the National Stock Exchange of India Limited (‘NSE’);

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

In the Scheme, unless the context otherwise requires:

- (i) reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme;
- (ii) references to the singular shall include the plural and vice versa and references to any gender includes the other gender;
- (iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Party beyond that which would have existed had this Clause been omitted.

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

- 2.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 16 of the Scheme, shall be effective from the Appointed Date and shall be operative from the Effective Date.

## **3. SHARE CAPITAL**

- 3.1. The authorized, issued, subscribed and paid-up share capital of GFL 1 as on March 31, 2018 is as under:

<b>Particulars</b>	<b>Amount in INR</b>
<b><u>Authorised Capital</u></b>	
200,000,000 Equity Shares of Re. 1/- each	200,000,000
<b>Total</b>	<b>200,000,000</b>
<b><u>Issued, Subscribed and Paid-up</u></b>	
109,850,000 Equity Shares of Re. 1/- each, fully paid up	109,850,000
<b>Total</b>	<b>109,850,000</b>

From March 31, 2018 until the date of the Scheme being approved by the Board of GFL 1, there has been no change in the authorised, issued, subscribed and paid up share capital of GFL 1.

- 3.2. The authorized, issued, subscribed and paid-up share capital of GFL 2 as on 06<sup>th</sup> December 2018 is as under:

<b>Particulars</b>	<b>Amount in INR</b>
<b><u>Authorised Capital</u></b>	
100,000 Equity Shares of Re. 1/- each	100,000
<b>Total</b>	<b>100,000</b>
<b><u>Issued, Subscribed and Paid-up</u></b>	
100,000 Equity Shares of Re. 1/- each, fully paid up	100,000
<b>Total</b>	<b>100,000</b>

### **PART B:**

#### **DEMERGER OF THE CHEMICAL BUSINESS UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

#### **4. TRANSFER AND VESTING OF THE CHEMICAL BUSINESS UNDERTAKING FROM THE DEMERGED COMPANY INTO THE RESULTING COMPANY**

4.1. The Chemical Business Undertaking of the Demerged Company as defined in Clause 1.7 shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

4.1.1. All Chemical Business Undertaking Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme and its filing with the Registrar of Companies concerned shall stand vested in the Resulting Company and shall be deemed to be and become the property and as an integral part of the Resulting Company by operation of law. The vesting order and sanction of the Scheme shall operate in relation to the movable property in accordance with its normal mode of vesting through the Resulting Company and as the context may provide, by physical or constructive delivery or novation, or by endorsement and delivery, or by mere operation of the vesting order and its record or registration with the Registrar in accordance with the Act, as appropriate to the nature of the movable property vested. Upon the Scheme becoming effective the title to such property shall be deemed to have been mutated and recognized as that of the Resulting Company.

4.1.2. All Chemical Business Undertaking Assets that are other movable properties, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the vesting order and by operation of law become the property of the Resulting Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Resulting Company and any document of title pertaining to the assets of the Chemical Business Undertaking shall also be deemed to have been mutated and recorded as titles of the Resulting Company to the same extent and manner as originally held by the Demerged Company and enabling the ownership, right, title and interest therein as if the Resulting Company was originally the Demerged Company. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title

of such movable property in this regard.

- 4.1.3. All immovable properties of the Chemical Business Undertaking (including but not limited to the immovable properties mentioned in Schedule I), including owned land, lease hold land, together with the buildings and structures standing thereon and rights and interests in immovable properties of the Chemical Business Undertaking, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall stand vested in and/or be deemed to have been vested in the Resulting Company, by operation of law pursuant to the vesting order of the NCLT sanctioning the Scheme, and its filings with the concerned Registrar of Companies. Such assets shall stand vested in the Resulting Company and shall be deemed to be and become the property as an integral part of the Resulting Company by operation of law. The Resulting Company shall simultaneous with the filing and registration of the order of the NCLT sanctioning the Scheme be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil all obligations in relation thereto or as applicable to such immovable properties. Upon the Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognised as that of the Resulting Company and the mere filing thereof with the appropriate Registrar or Sub-Registrar of Assurances or with the relevant Government shall suffice as record of continuing titles with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof. The Resulting Company shall subsequent to the vesting order be entitled to the delivery and possession of all documents of title to such immovable properties in this regard. It is hereby clarified that all the rights, title and interest of the Chemical Business Undertaking in any lease & license, leasehold properties shall, pursuant to Section 232 of the Act and the provisions of this Scheme, without any further act, instrument or deed, be vested in or be deemed to have been vested in the Resulting Company.
- 4.1.4. Notwithstanding anything contained in this Scheme, in respect of the immovable properties pertaining to the Chemical Business Undertaking of the Demerged Company, whether owned or leased, the Board of the Resulting Company may determine, for the purpose inter alia of payment of stamp duty, and vesting unto the Resulting Company and if the Board of the Resulting Company so decide, the concerned parties, whether executed before or after the Effective Date, shall execute and register or cause so as to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty, shall be deemed to be conveyed at a consideration being the ready-reckoner value of such properties. The execution of such conveyance shall form an integral part of the Scheme.
- 4.1.5. All Chemical Business Undertaking Liabilities including debts, liabilities (including deferred tax liability), contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed or not in the balance sheets of the Demerged Company shall stand vested in the Resulting Company and shall upon the scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Resulting Company, and the Resulting Company shall undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. 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.
- 4.1.6. The transfer and vesting as aforesaid of the debts / liabilities shall be subject to the existing charges/ hypothecation/ mortgages, if any, as may be subsisting and created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements with respect to Chemical Business Undertaking to which the Demerged Company

is a party wherein the assets of the Chemical Business Undertaking have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to those assets pertaining to the Chemical Business Undertaking and vested in the Resulting Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any other assets, if any of the Resulting Company

Provided that the Scheme shall not operate to enlarge the security for the said liabilities relating to the Chemical Business Undertaking which shall vest in Resulting Company by virtue of the Scheme and the Resulting Company shall not be obliged to create any further, or additional security thereof after the demerger has become effective or otherwise. The transfer/ vesting of the assets of the Chemical Business Undertaking as aforesaid shall be subject to the existing charges/ hypothecation/ mortgages over or in respect of the assets or any part thereof of the Chemical Business Undertaking.

4.1.7. All Chemical Business Undertaking Contracts including contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the Chemical Business of the Demerged Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Chemical Business Undertaking, or to the benefit of which Chemical Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) of the Resulting Company. Such properties and rights described herein above shall stand vested in the Resulting Company and shall be deemed to be the property and become the property by operation of law as an integral part of the Resulting Company. Such contracts and properties described above shall continue to be in full force and continue as effective as hitherto in favour of or against the Resulting Company and shall be the legal and enforceable rights and interests of the Resulting Company, which can be enforced and acted upon as fully and effectually as if, it were the Demerged Company, as the Resulting Company is its successor in interest. Upon the Scheme becoming effective, the rights, duties, obligations, interests flowing from such contracts and properties, shall be deemed to have been entered in and novated to the Resulting Company by operation of law and the Resulting Company shall be deemed to be its substituted party or beneficiary or obligor thereto. In relation to the same any procedural requirements required to be fulfilled solely by the Demerged Company (and not by any of its successors), shall be fulfilled by the Resulting Company as if it were the duly constituted attorney of the Demerged Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Demerged Company relating to or benefiting at present the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Resulting Company, respectively.

4.1.8. Any pending suits/appeals or other proceedings of whatsoever nature relating to the Chemical Business Undertaking of the Demerged Company, whether by or against such Demerged Company, shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of the Chemical Business Undertaking of the Demerged Company into the Resulting Company or of anything contained in this Scheme, but by virtue of the vesting and sanction order, such legal proceedings shall continue and any prosecution shall be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued, prosecuted and/or enforced by or against the Demerged Company, as if this Scheme had not been implemented.



- 4.1.9. All the Chemical Business Undertaking employees shall become employees of and be employed / appointed by the Resulting Company pursuant to the vesting order and by operation of law, with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Demerged Company, without any interruption of service as a result of this hiving-off, without any further act, deed or instrument on the part of the Demerged Company or the Resulting Company. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees, the Resulting Company shall stand substituted for the Demerged Company for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Demerged Company, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to such employees and the services of all such employees of the Demerged Company for such purpose shall be treated as having been continuous.
- 4.1.10. All Chemical Business Undertaking IP including registrations, goodwill, licenses, brands, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks pertaining to the Chemical Business Undertaking of the Demerged Company, if any, shall stand vested in the Resulting Company without any further act, instrument or deed (unless filed only for statistical record with any appropriate authority or Registrar), upon filing of the order of the NCLT sanctioning the Scheme, with the Registrar of Companies concerned. Any other intellectual property rights (not specifically covered above) presently held by the Demerged Company, that relates to or benefit at present the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate intellectual property rights and the necessary substitution/ endorsement shall be made and duly recorded in the name of the Demerged Company and the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT.
- 4.1.11. All taxes payable by or refundable to or relatable to the Chemical Business Undertaking of the Demerged Company, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of the Resulting Company, and any tax incentives including but not limited to benefits under income tax, such as credit for advance tax, tax deducted at source, unutilized deposits or credits (net of provisions there against), MAT credit whether or not recorded in the books, unabsorbed depreciation, unabsorbed business tax losses, credit for service tax, sales tax / value added tax / goods and service tax and / or any other statutes, incentives, if any, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc. as would have been available to Chemical Business Undertaking of the Demerged Company, shall pursuant to this Scheme becoming effective, be available to the Resulting Company.
- 4.1.12. All Chemical Business Undertaking Licenses including approvals, consents, exemptions, Unique Identification Numbers, Legal Entity Identification Number, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), environmental clearances, No Objection Certificates, Consent Orders, approvals, etc., and certificates of every kind and description whatsoever in relation to the Chemical Business Undertaking, or to the benefit of which the Chemical Business Undertaking may be eligible/ entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for

the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of the Resulting Company, and shall be in full force and effect in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Demerged Company, but relate to or benefitting the Demerged Company and the Chemical Business Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Resulting Company, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the drawn up order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of the Resulting Company as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Resulting Company shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

- 4.1.13. Benefits of any and all corporate approvals as may have already been taken by the Demerged Company with respect to the Chemical Business Undertaking, whether being in the nature of compliances or otherwise, including without limitation, approvals under Sections 180, 185, 186, 188, etc; of the Act read with the rules and regulations made there under, shall stand vested in the Resulting Company and the said corporate approvals and compliances shall, upon this Scheme becoming effective, be deemed to have been taken/complied with by the Resulting Company.
- 4.1.14. All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Demerged Company in relation to the Chemical Business Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Resulting Company and shall, upon this Scheme coming into effect, pursuant to the provisions of Section 232 and other applicable provisions of the Act, without any further act, instrument or deed be and stand vested in or be deemed to have been vested in the Resulting Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Resulting Company.
- 4.1.15. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented or issued for encashment which are in the name of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, after the Effective Date shall

be accepted by the bankers of the Resulting Company and credited / debited to the account of the Resulting Company, if presented or issued by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued by or in the name of the Demerged Company, in relation to or in connection with the Chemical Business Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Chemical Business Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case maybe, continued by or against the Resulting Company after coming into effect of the Scheme.

4.1.16. This Part of the Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, at a later date, 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(19AA) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

## **5. CONSIDERATION**

5.1. Upon the Scheme becoming effective and upon vesting of the Chemical Business Undertaking of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to the shareholders of the Demerged Company whose name appears in the register of members of the Demerged Company as on Record Date (as may be decided by the Board of Directors of Resulting Company), their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:

*" 1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re.1 each fully paid up held in the Demerged Company."*

5.2. In the event that the Demerged Company/ the Resulting Company restructures its equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Entitlement Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.

5.3. The Resulting Company shall take necessary steps to increase or alter or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.

5.4. The shares to be issued and allotted as above shall be subject to the Scheme and in accordance with the Memorandum and Articles of Association of the Resulting Company.

5.5. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Demerged Company, after the effectiveness of this Scheme.

5.6. The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Resulting Company.

- 5.7. The issue and allotment of equity shares as provided in Clause 5.1, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, as the case may be, pursuant to the aforesaid Clause 5.1.
- 5.8. The Resulting Company shall to the extent required, increase its authorized share capital to facilitate issue of equity shares under this Scheme. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company under Sections 230 and 232 of the Act shall be deemed to be the approval under Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.
- 5.9. The equity shares shall be issued in dematerialized form, to those shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which the Demerged Company shares are held or such other account as is intimated by the shareholders to the Demerged Company and / or its Registrar before the Record Date. All those shareholders who hold shares of the Demerged Company in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Demerged Company and/or its Registrar before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.
- 5.10. Inter-company holding, if any, as on the Appointed Date, between the Demerged Company and the Resulting Company, shall be cancelled pursuant to this Scheme.
- 5.11. The Board of Directors of the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government/Regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the Demerged Company pursuant to Clause 5.1 of the Scheme.
- 5.12. The equity shares issued and/or allotted pursuant to Clause 5.1, in respect of such of the equity shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by Resulting Company.
- 5.13. The equity shares to be issued by the Resulting Company to the members of the Demerged Company pursuant to Clause 5.1 of this Scheme will be listed and/or admitted to trading in terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as applicable) on all the Stock Exchanges on which shares of the Demerged Company are listed on the Effective Date. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for the Resulting Company for complying with the formalities / requirements of the said Stock Exchanges. The equity shares of the Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchanges. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from the Stock Exchanges. The Resulting Company shall not issue/ reissue any other shares under this Scheme, except as expressly stated herein below..

- 5.14. The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals, if any, from or intimate the concerned regulatory authorities, including the Reserve Bank of India, for the issue and allotment of equity shares by the Resulting Company to the non-resident/foreign citizen equity shareholders of the Demerged Company. The Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable the Resulting Company to issue and allot equity shares to the non-resident/foreign citizen equity shareholders of the Demerged Company.
- 5.15. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of Section 42, 62 of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the shareholders of the Demerged Company, as provided in this Scheme.
- 5.16. The approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company shall be deemed to have the approval for the purpose of effecting the above amendments under Sections 13, Section 14 and other applicable provisions of the Act and no further resolutions would be required to be separately passed in this regard.

**6. REDUCTION OF SHARE CAPITAL HELD BY THE DEMERGED COMPANY IN THE RESULTING COMPANY**

- 6.1. Upon the issue of shares by the Resulting Company in accordance with Clause 5.1 above, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment. Accordingly, the share capital of the Resulting Company shall stand reduced to the extent of the face value of shares held by the Demerged Company and its nominees upon the issue of shares by the Resulting Company in accordance with Clause 5.1 above.
- 6.2. The cancellation of share capital shall be effected as an integral part of the Scheme and the Resulting Company shall not be required to add "And Reduced" as suffix to its name consequent to such reduction.

**7. ACCOUNTING TREATMENT**

The Demerged Company and Resulting Company shall account for the Scheme in their respective books/ financial statements in accordance with applicable Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time including as provided herein below

**7.1. In the Books of the Demerged Company:-**

- 7.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall reduce the book value of all assets, liabilities and reserves pertaining to the Chemical Business Undertaking of Demerged Company from its books of accounts.
- 7.1.2. Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company, if any, relating to the Chemical Business Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 7.1.3. The Demerged Company, as on the Appointed Date, shall transfer the balances of all the reserves (except Capital Redemption Reserve) to the Resulting Company, in the proportion of Net Assets transferred to the Resulting Company and Net Assets retained by the Demerged Company ("Transferred Reserves"). The Transferred Reserves shall consist of the entire balance of Capital Reserve and Cash Flow Hedge Reserve, part or the entire balance of General Reserve as may be required and balance, if any, from Retained Earnings.

- 7.1.4. The Capital Redemption Reserve and part of General Reserve and / or Retained Earnings not forming part of Transferred Reserves pursuant to clause 7.1.3 shall be retained by the Demerged Company.
- 7.1.5. The difference, if any, between the Net Assets and Transferred Reserves(transferred pursuant to clause 7.1.3) pertaining to the Chemical Business Undertaking demerged from Demerged Company pursuant to this Scheme shall be adjusted against the balance in General Reserves or Retained Earnings of the Demerged Company.
- 7.1.6. Investments in the equity share capital of the Resulting Company as on the Appointed Date will stand cancelled and be debited to Retained Earnings.

*For the purpose of this Clause, Net Assets would mean difference between the book value of assets and liabilities as on the Appointed Date.*

## **7.2. In the Books of the Resulting Company:-**

Upon the Scheme becoming effective and with effect from the Appointed Date, GFL 2 shall account for the Chemical Business Undertaking in its books in accordance with "Pooling of Interest Method" of accounting as per Indian Accounting Standard (Ind AS) 103 (Business Combination) prescribed under section 133 of the Companies Act, 2013, which is applicable to GFL 2 since this is a common control business combination. It would inter alia include the following:

- 7.2.1. The Resulting Company shall record the assets and liabilities pertaining to the Chemical Business Undertaking, transferred to and vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Demerged Company;
- 7.2.2. Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Chemical Business Undertaking, if any, will stand cancelled and there shall be no further obligation / outstanding in that behalf;
- 7.2.3. The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the equity shares issued by it to the members of the Demerged Company pursuant to Clause 5.1 of this Scheme; and
- 7.2.4. The identity of the reserves (including Capital Reserve, Cash Flow Hedge Reserve, General Reserve and Retained Earnings, as may be applicable) transferred by GFL 1 to GFL 2 pertaining to the Chemical Business Undertaking of GFL 1 pursuant to clause 7.1.3 above shall be preserved and vested in it and shall appear in the financial statements of GFL 2 in the same form and manner, in which they appeared in the financial statements of GFL 1, prior to Scheme becoming effective.
- 7.2.5. Upon coming into effect of the Scheme, the pre-demerger shareholding of the Demerged Company in the Resulting Company shall be cancelled and the amount of such share capital, as stands cancelled, be credited to Capital Reserve.
- 7.2.6. The difference between the Net Assets transferred from Demerged Company pursuant to Clause 7.2.1 and aggregate of the share capital issued pursuant to Clause 7.2.3, the Transferred Reserves and after giving effect to inter-company balances, if any, as per Clause 7.2.2, shall be adjusted against Capital Reserve transferred from the demerged company in accordance with accounting principles prescribed in Ind AS 103.

*For the purpose of this Clause, Net Assets would mean difference between the book value of assets and liabilities as on the Appointed Date.*

## **8. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**

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

- (a) The Demerged Company shall carry on and be deemed to have carried on the business and activities in relation to Chemical Business Undertaking and shall stand possessed of their properties and assets relating to Chemical Business Undertaking for and in trust for the Resulting Company and all the profits/losses accruing on account of the Chemical Business Undertaking shall for all purposes be treated as profits/losses of the Resulting Company.
  - (b) The Demerged Company shall not utilize the profits or income, if any, relating to the Chemical Business Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Resulting Company.
  - (c) The Demerged Company shall not without the prior written consent of the Board of Directors of the Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Chemical Business Undertaking or any part thereof except in the ordinary course of its business.
  - (d) The Demerged Company shall not vary the existing terms and conditions of service of its permanent employees relating to Chemical Business Undertaking except in the ordinary course of its business or without prior consent of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Company as the case may be, prior to Effective Date.
- 8.2. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require pursuant to this Scheme.

## **9. STAFF, WORKMEN & EMPLOYEES**

- 9.1. All the permanent employees of the Demerged Company engaged in or in relation to the Chemical Business Undertaking of the Demerged Company, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Resulting Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Demerged Company immediately preceding the Effective Date.
- 9.2. Services of the employees of the Demerged Company pertaining to the Chemical Business Undertaking shall be taken into account from the date of their respective appointment with the Demerged Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Demerged Company.
- 9.3. It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Demerged Company pertaining to the Chemical Business Undertaking are concerned, upon the Scheme becoming effective, the Resulting Company shall stand substituted for the Demerged Company in respect of the employees transferred with the Chemical Business Undertaking for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance

with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Chemical Business Undertaking of the Demerged Company in relation to such Funds or Trusts shall become those of the Resulting Company. The Trustees including the Board of Directors of the Demerged Company and the Resulting Company or through any committee/person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged Company.

- 9.4. With effect from the date of filing of this Scheme with NCLT and up to and including the Effective Date, the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Chemical Business Undertaking of the Demerged Company, except with written consent of the Resulting Company.

## **10. LEGAL PROCEEDINGS**

- 10.1. All legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date and relating to the Chemical Business Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Any cost pertaining to the said proceedings between the Appointed Date and the Effective date incurred by the Demerged Company shall be reimbursed by the Resulting Company.
- 10.2. After the Effective Date, if any proceedings are taken against the Demerged Company in respect of the matters referred to in the Clause 10.1 above, they shall defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 10.3. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clauses 10.1 or 10.2 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company as the case may be, to the exclusion of the Demerged Company.

## **11. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 11.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Chemical Business Undertaking of the Demerged Company, shall continue in full force and effect against or in favor of the Resulting Company and may be enforced effectively by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party thereto.
- 11.2. The Resulting Company may, 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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Resulting Company shall, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Demerged Company.



## **12. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 4.1 above and the continuance of proceedings by or against the Resulting Company under Clause 10 above shall not affect any transaction or proceedings already concluded by the Demerged Company on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company in relation to the Chemical Business Undertaking in respect thereto as done and executed on behalf of itself.

## **13. PROFITS AND DIVIDENDS**

13.1. The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending 31<sup>st</sup> March, 2019 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the Demerged Company and the Resulting Company.

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

## **14. CHANGE OF NAME OF THE DEMERGED COMPANY AND THE RESULTING COMPANY**

Upon sanction of this Scheme, the name of the Demerged Company shall automatically stand changed without any further act, instrument or deed on the part of the Demerged Company, to “**GFL Limited**” or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Demerged Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

Upon sanction of this Scheme, the name of the Resulting Company shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to “**Gujarat Fluorochemicals Limited**” or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Resulting Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

## PART D

### GENERAL TERMS AND CONDITIONS

#### **15. APPLICATION TO NCLT**

The Demerged Company and the Resulting Company shall make Applications/Petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to NCLT for sanction of this Scheme under the provisions of law.

#### **16. MODIFICATION OR AMENDMENTS TO THE SCHEME**

The Demerged Company and the Resulting Company, with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions/ deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters, and things necessary for bringing this Scheme into effect or agree to any terms and/or conditions or limitations that NCLT or any other authorities under law may deem fit to approve of, to direct and/or impose. The aforesaid powers of the Demerged Company and the Resulting Company to give effect to the modification/amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of NCLT or any other authorities under the applicable law.

#### **17. CONDITIONS PRECEDENT**

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

17.1.1. The sanction or approval of the Appropriate Authorities including SEBI, Stock Exchanges in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

17.1.2. Approval of the Scheme by the requisite majority in number and value of such class of persons including the respective members and/or creditors, through e-voting and or any other mode as may be required under any Applicable Law, of the Demerged Company and the Resulting Company as required under the Act and as may be directed by NCLT; and

17.1.3. Certified or authenticated copy of the Order of NCLT sanctioning the Scheme being filed with the respective Registrar of Companies by the Demerged Company and the Resulting Company as may be applicable.

17.2. It is hereby clarified that submission of the Scheme to NCLT and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Demerged Company and the Resulting Company may have under or pursuant to all appropriate and Applicable Law.

17.3. On the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme, related matters and this Scheme itself.

#### **18. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION / WITHDRAWAL OF THE SCHEME**

18.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/or the Scheme not being sanctioned by NCLT or such other competent authority and/ or the Order not being passed as aforesaid before March 31, 2020 or within such further period or periods as may be agreed upon between the Demerged Company and the Resulting Company by

their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

18.2. The Demerged Company and the Resulting Company through their respective Board shall each be at liberty to withdraw from this Scheme (i) in case any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them or (ii) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective companies.

18.3. In the event of revocation/withdrawal under Clauses 18.1 and 18.2 above, no rights and liabilities whatsoever shall accrue to or be incurred in-between the Demerged Company and the Resulting 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 Law and in such case, the Demerged Company and the Resulting Company shall bear its own costs, unless otherwise mutually agreed.

#### **19. COSTS, CHARGES & EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any, (save as expressly otherwise agreed) of the Demerged Company and the Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Demerged Company.

### **SCHEDULE I**

#### **LIST OF IMMOVABLE PROPERTIES OF THE COMPANY**

<b>Sr. no.</b>	<b>Details of Immovable Property</b>	<b>Location</b>	<b>Area</b>
1	Owned Office Building (Land on lease)	Inox Towers, 17, Sector 16-A, Institutional Area, Noida, State Uttar Pradesh	Plot area 43056 sqft Tower A + B - 66870 sqft
2	Owned Office (Land on lease)	612-618, Narain Manzil, 23, Barakhamba Road, New Delhi – 110 003	3798 Sq. ft and four allotted car parking in the building
3	Owned Office (Land on lease)	7 <sup>th</sup> floor, Ceejay House, Dr. Annie Besant Road, Worli, Mumbai 400 018 State Maharashtra	4651 sq feet (super built up area)
4	Office Premises	Survey no 1834 & 1837, ABS Towers, Second Floor, Old Padra Road, Vadodara 390 007, State Gujarat	5405 sqft
5	Office Premises	Survey No 1834 & 1837, ABS Towers, Third Floor, Old Padra Road, Vadodara 390007, State Gujarat	5405 sqft
6	Office Premises	Survey No 1834 & 1837, ABS Towers, Fourth Floor, Old Padra Road, Vadodara 390007, State Gujarat	5405 sqft

7	Other property (Owned)	3, Charotar Society, Old Padra Road, Vadodara 390007, State Gujarat	Plot area 5690 sqft Construction area 5246 sqft
8	Factory Land (Owned)	Survey no 16/3, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	13962 sq. mt
9	Factory Land (Owned)	Survey no 26 & 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	154097 sqmt
10	Factory Land (Owned)	Survey no 25/1 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, , State Gujarat	Hectare Acre 3 -33 Guntha (15415 sqmtr)
11	Factory Land (Owned)	Survey no 25/2 (part) Village Ranjitnagar, Taluka Ghoghamba, District, Panchmahal, State Gujarat	Hectare 0 -99-15 (9915 sqmtr)
12	Factory land (Owned)	Survey no 25/2 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, State Gujarat	Hectare 0 -99-15 (9915 sqmtr)
13	Factory land (Owned)	Land bearing Revenue Survey no 71/1 and 72/1 at Village Devpara, Taluka Chotila, District Surenderanagar, State Gujarat	71/1 -2774 sqmt 72/1 – 7714 sqmt.
14	Common Road for use for Land	Land bearing Revenue Survey no 71/1 and 72/1 at Village Devpara, Taluka Chotila, District Surenderanagar, State Gujarat	
15	Factory Land on lease from Gujarat Industrial Development Corporation	Land bearing following located at Dahej Industrial Estate, Taluka Vagra, District Bharuch, State Gujarat	
		1. Industrial Plot no 12-A	410587.78 sqmt
		2. Adjoin plot to Industrial Plot no 12 - A	11750.40sq mt
		3. Industrial Plot no D-2/CH-173	426352.03 sqmt
		4. Industrial Plot no D-2/CH-222	64115.14 sqmt.
		5. Residential Plot no A-49, A 68 and 69	13670.09 sqmt.
		Survey no.135/1, Village Jivapar , Taluka Chotila, Moje Jivapar, State Gujarat (Wind Mill no GGM -113)	4 .0 hectare i.e 40,000 sqmt
		Survey No. 15/2 , Village Sakhpar , Taluka Chotila, Moje Sakhpar, State Gujarat (Wind Mill no GGM 21 )	2.00 hectare i.e. 20,000 sq. mt.
		Survey no.40, Survey No.80/6(part), Survey no.84, Survey No.92, Village Tajpar , Talukla Chotila, MojeTajpar, State Gujarat (Wind Mill no GGM-129)	3.0 hectare 1.0 hectare 1.0 hectare 1.0 hectare Aggregating to 6.00 hectare i.e.60,000 sqmt.

		Survey No.134/2 (part), Village Jivapar, Taluka Chotila, Moje Jivapar (Anandpar) State Gujarat (Wind Mill no GGM –114 & 116 )	4.00 hectare i.e 40,000 sqmt..
		Survey No.24/1, Village Sakhpur, Taluka Chotila, Moje Sakhpar State Gujarat (Wind Mill no GGM -23 & 24)	2.00 hectare i.e 20,000 sqmt..
		Survey No.101/3, Survey No 101/4, Village Golida, Taluka Chotila, Moje Golida State Gujarat (Wind Mill no GGM – 106,107, 108)	2.0 hectare 1.0 hectre Aggregating to 3.00 hectare i.e. 30,000 sqmt.
		Survey No.405/45 (part), Survey No 270, Survey No.405/11 (part), Village Dhokadva, Taluka Chotila, Moje Dhokadva,State Gujarat (Wind Mill no GGM – 134,135,136,137,138,139)	3.0 hectare 3.0 hectare 2.0 hectare Aggregating to 8.00 heactare i.e 80,000 sq. mt.
		Survey No.60/10 (part), Taluka Chotila, Village Anandpar-Bhadla Moje Anandpar – Bhadla ,State Gujarat (Wind Mill no GGM – 89,90,91,92,93,94,,96,97,98)	10.00 hectare i.e. 100,000 sqmt.

## ANNEXURE - 2

# Walker ChandioK & Co LLP

**Strictly Private and Confidential**

To  
**The Board of Directors**  
**Gujarat Fluorochemicals Limited**  
Survey No 16/3, 26 27 Ranjitnagar  
Ghoghamba Taluka, Panchmahal  
**Gujarat – 389 380**

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**Walker ChandioK & Co LLP**  
16th Floor, Tower II,  
Indiabulls Finance Centre,  
SB Marg, Elphinstone (W)  
Mumbai - 400 013  
Maharashtra, India

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Date: 13 November 2018

**Sub: Recommendation of fair Share Entitlement Ratio for the proposed demerger of Chemical Business Undertaking of Gujarat Fluorochemicals Limited into Proposed NewCo.**

Dear Sir / Madam,

We refer to our Engagement Letter dated 13 November 2018 whereby the Management of Gujarat Fluorochemicals Limited ("GFL" or the "Company") has requested Walker ChandioK & Co LLP ("WCC" or the "firm") for a valuation report recommending the Share Entitlement Ratio for the proposed group restructuring of GFL under a Scheme of Arrangement pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 ("Scheme" or "Scheme of Amalgamation"). The appointed date for the Scheme shall be 1 April 2019.

WCC has been hereafter referred to as 'Valuer' or 'we' in this Share Entitlement Ratio Report ('Report').

### CONTEXT AND PURPOSE

#### Gujarat Fluorochemicals Limited

GFL, is a part of the INOX Group, which is diversified across the industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, renewable energy and entertainment sectors. GFL is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, the Company is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses.

GFL along with its subsidiaries operates in the chemicals business along verticals such as refrigerant gases, fluoropolymers, commodity chemicals and speciality fluorochemicals. It is engaged in manufacturing of chloromethanes, refrigerants and Polytetrafluoroethylene in India and caters to clients across the globe.



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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker ChandioK & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

## Gujarat Fluorochemicals Limited

GFL is listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The registered office of GFL is situated at Survey No 16/3 26 27 Ranjitnagar , Ghoghamba Taluka, Panchmahal Gujarat - 389380 India

The issued and subscribed equity share capital of GFL as on 30 September 2018 was INR 109.8 million consisting of 10,98,50,000 equity shares of face value of INR 1 each. The shareholding pattern as on 30 September 2018 is as follows:

Sr. No.	Shareholder	Percentage
1	Promoter and Promoter Group	68.3%
2	Public	31.7%
	<b>Total</b>	<b>100.0%</b>

## Gujarat Fluorochemicals America LLC USA

Gujarat Fluorochemicals America LLC USA ("GFL USA") is a wholly owned subsidiary of GFL. GFL USA operates in the US market and is primarily engaged in the manufacture, trading and sale of Post Treated PTFE Compounds.

The issued and subscribed equity share capital of GFL USA as on 31 March 2018 was INR 101.2 million.

## Gujarat Fluorochemicals Singapore Pte Limited

Gujarat Fluorochemicals Singapore Pte Limited ("GFL Singapore") is a wholly owned subsidiary of GFL. GFL Singapore has been set up for the purpose of carrying out investment activities.

The issued and subscribed equity share capital of GFL Singapore as on 31 March 2018 was INR 555.3 million consisting of 90,91,000 equity shares of the face value of USD 1 each.

## Gujarat Fluorochemicals GmbH

Gujarat Fluorochemicals GmbH ("GFL Germany") is a wholly owned subsidiary of GFL. GFL Germany operates in the European markets and is primarily engaged in trading of polymer compounds especially, post-treated PTFE.

The issued and subscribed equity share capital of GFL Germany as on 31 March 2018 was INR 2.2 million

## GFL GM Fluorspar SA

GFL GM Fluorspar SA ("GFL GM") is a joint venture company established for the purpose of mining of fluorspar in Morocco. GFL GM is venture between GFL Singapore and Global Mines SARL.



## Gujarat Fluorochemicals Limited

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GFL Singapore holds 1,39,231 equity shares aggregating 74% stake in GFL GM and the balance 48,919 equity shares are held by Global Mines SARL, Morocco as on 31 March 2018.

The issued and subscribed equity share capital of GFL GM as on 31 March 2018 was INR 1350.0 million consisting of 1,88,150 equity shares of the face value of MAD 100 each.

## Chemical Business Undertaking

Chemical Business Undertaking comprises, business, activities and operations pertaining to business of chemicals of GFL, together with the equity shares held by GFL in GFL USA, GFL Singapore, GFL Germany and GFL GM.

## Proposed Demerger

We understand that the Management of GFL (the "Management") is contemplating a group restructuring/ realignment exercise wherein it is proposed that Chemical Business Undertaking of GFL as explained in the aforesaid paragraph will be demerged into a Proposed NewCo, to be incorporated as a subsidiary of GFL ("Proposed Demerger").

In this connection, Walker ChandioK & Co LLP has been requested by the Management to submit a report recommending the ratio of entitlement of equity shares of Proposed NewCo to the shareholders of GFL in connection with the Proposed Demerger for the consideration of the Board of GFL.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

## SOURCES OF INFORMATION

In connection with this exercise, we have considered during our analysis the following information received from the Management and/or gathered from public domain:

1. Shareholding Pattern of GFL as on 30 September 2018.
2. Shareholding Pattern of GFL USA, GFL Singapore, GFL Germany and GFL GM as on 31 March 2018;
3. Financial statement of GFL for the year ended 31 March 2018;
4. Draft Scheme of Arrangement received by us on 12 November 2018;
5. Correspondence with the Management including Management Representation Letter;
6. In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of our analysis.

The Company has been provided with the opportunity to review the draft Report (excluding the recommended Share Entitlement Ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final Report.





## Gujarat Fluorochemicals Limited

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Management has informed us that Keynote Corporate Services Limited have been appointed by GFL, to provide fairness opinion on the Share Entitlement Ratio for the purpose of the aforementioned Proposed Demerger. Further, at the request of the Management, we have had discussions with fairness opinion providers appointed by GFL on the valuation approach.

### SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

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

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than date of the Report.

Our scope is limited to expression of our view on the proposed Share Entitlement Ratio and its impact on the economic interest of the shareholders of GFL and the resulting company. The Report should not be construed as, our opinion or certifying the compliance of the proposed restructuring with the provisions of any law including the Companies Act 1956, Companies Act 2013, FEMA, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Demerger.

This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date and (iii) are based on the data detailed in the section – Sources of Information. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular, and the information made available to us as of the Valuation Date. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation rendered in this Report only represents our recommendation based upon information till date, furnished by the Management (or its representatives) and other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of a Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio at which the Proposed Demerger shall take place will be with the Board of Directors of GFL who should take into account other factors such as their own assessment of the Proposed Demerger and input of other advisors.



## Gujarat Fluorochemicals Limited

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In the course of the valuation, we were provided with both written and verbal information, including information as detailed in the section - Sources of Information. In accordance with the terms of our engagement, we have assumed and relied upon, (i) the accuracy of the information that was publicly available and (ii) the accuracy of information made available to us by the Company. As per our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not independently investigated the data provided by the Company. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from GFL, we have been given to understand by GFL that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of GFL. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Also, we assume no responsibility for technical information furnished by GFL.

Accordingly, we assume no responsibility for any errors in the information furnished by the Management or obtained from public domain and their impact on the Report. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.

The Management has represented that the business activities have been carried out in the normal and ordinary course as on the Valuation Date for GFL and Chemical Business Undertaking and that no material adverse change has occurred in their respective operations and financial position between the respective aforementioned dates.

The Report assumes that GFL, its subsidiaries and JVs comply fully with relevant laws and regulations applicable in all their areas of operations unless otherwise stated, and that all the companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of GFL, its subsidiaries and JVs. Our conclusion of value assumes that the assets and liabilities of GFL, its subsidiaries and JVs, reflected in their respective latest balance sheets remain intact as of the Valuation Date.

This Report does not look into the business/ commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are available.

No investigation / inspection of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.



## Gujarat Fluorochemicals Limited

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The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of GFL who have appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to GFL. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of GFL, their directors, employees or agents. In no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Entitlement Ratio. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

The Report should be used in connection with the Scheme.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the proposed scheme of arrangement, without our prior written consent except for disclosures to be made to relevant regulatory authorities including stock Exchanges, SEBI and National Company Law Tribunal.

This Report does not in any manner address the prices at which equity shares will trade following announcement of the Proposed Demerger and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Demerger.

### **APPROACH - SHARE ENTITLEMENT RATIO FOR PROPOSED DEMERGER**

As per the proposed scheme of arrangement, in consideration of the transfer and vesting of Chemical Business Undertaking of GFL into Proposed NewCo, the Proposed NewCo shall issue & allot equity shares to the equity shareholders of GFL based on the ratio of allotment of shares.

Upon the issue of shares by the Proposed NewCo, the entire existing share capital of the Proposed NewCo held by GFL as on the Effective Date shall stand cancelled without any payment. Accordingly, the share capital of the Proposed NewCo shall stand reduced to the extent of the face value of shares held by GFL upon the issue of shares by the Proposed NewCo.

We understand that, as part of the Scheme, the Chemical Business Undertaking of GFL is proposed to be demerged into Proposed NewCo. Once the Scheme is implemented, all the shareholders of GFL would also become shareholders in the Proposed NewCo, and their shareholding in Proposed NewCo would mirror their shareholding in GFL.



## Gujarat Fluorochemicals Limited

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We further understand that as an effect of demerger, each shareholder of GFL would become owner of shares in two companies instead of one. Post Demerger, the percentage holding of a shareholder in GFL would remain unchanged from the proportion of capital held by such shareholder in GFL.

The management of GFL has further indicated that the shareholding of Proposed NewCo pursuant to the Proposed Demerger of Chemical Business Undertaking into Proposed NewCo would be, effectively, same as the shareholding of GFL (pre-demerger) as the new shares of Proposed NewCo would be issued to the shareholders of GFL in proportion to their shareholding in GFL (pre-demerger). Thus, we understand that the interest of the shareholders in GFL will effectively remain unchanged and therefore from that perspective shareholders interest would not be prejudicially affected. The Scheme does not envisage dilution of the holding of any one or more of shareholders as a result of operation of the Scheme.

### **RECOMMENDATION OF RATIO OF ENTITLEMENT OF EQUITY SHARES FOR THE PROPOSED DEMERGER**

On the basis of the foregoing, any share entitlement ratio can be considered for the above demerger as the proportionate shareholding of any shareholder would not vary. Considering the desired capital structure of Proposed NewCo, the Management has proposed a share entitlement ratio of 1 (One) fully paid equity share of Proposed NewCo of face value of INR 1 each, in exchange of, every 1 (One) fully paid equity share of GFL of face value of INR 1 (One) each in the event of Demerger of Chemical Business Undertaking of GFL into Proposed NewCo.

As proposed by the Management and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, the share entitlement ratio in the event of Demerger of Chemical Business Undertaking of GFL into Proposed NewCo is proposed as follows:

1 (One) fully paid equity share of face value of INR 1 (Rupee One) each of Proposed NewCo for every 1 (One) fully paid equity share of face value of INR 1 (Rupee one) each held in GFL.

We believe that the above share entitlement ratio is fair and reasonable considering that all the shareholders of GFL will upon demerger, be the ultimate beneficial owners of Proposed NewCo in the same ratio (inter se) as they hold shares in GFL, as on the record date.

Yours faithfully,

For **Walker Chandiook & Co LLP**

Chartered Accountants

ICAI Firm Registration No: 001076N/ N500013



**Sudhir N. Pillai**

Partner

Membership No: 105782

# Walker Chandiook & Co LLP

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Walker Chandiook & Co LLP  
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**Strictly Private and Confidential**

To  
**The Board of Directors**  
**Gujarat Fluorochemicals Limited**  
Survey No 16/3, 26 27 Ranjitnagar  
Ghoghamba Taluka, Panchmahal  
Gujarat – 389 380

To  
**The Board of Directors**  
**INOX Fluorochemicals Limited**  
2nd Floor, ABS Towers,  
Old Padra Road, Vadodara  
Gujarat - 390007

Date: 11 December 2018

**Sub: Recommendation of fair Share Entitlement Ratio for the proposed demerger of Chemical Business Undertaking of Gujarat Fluorochemicals Limited into Proposed NewCo.**

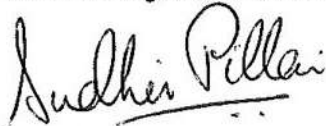
Dear Sir,

This refers to the valuation report dated 13 November, 2018 for the proposed demerger of the Chemical Business Undertaking of GFL into Proposed NewCo. (the "Report") issued by Walker Chandiook & Co LLP ("We" or "WCC").

We are informed based on your email dated 11 December 2018, that the Proposed NewCo. referred in the Report has been incorporated on 6 December 2018 as INOX Fluorochemicals Limited. Accordingly, we confirm that the Report can be used for proposed Scheme of Arrangement by INOX Fluorochemicals Limited.

Please note that all the terms & conditions and caveats as mentioned in the Engagement Letter and Report are applicable to INOX Fluorochemicals Limited.

Yours faithfully,  
For **Walker Chandiook & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No: 001076N/ N500013



**Sudhir N. Pillai**  
Partner  
Membership No: 105782

---

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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Walker Chandiook & Co LLP is registered with limited liability with Identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

*Private and Confidential*  
**KEYNOTE**

25  
— YEARS —  
OF CREATING  
**VALUE**  
THROUGH  
RELATIONSHIPS  
AND  
**TRUST**

13<sup>th</sup> November 2018

**The Board of Directors,**

**Gujarat Fluorochemicals Limited**  
Survey Number 16/3, 26 and 27,  
Village Ranjitnagar 389380,  
Taluka Ghoghamba,  
District Panchmahal, Gujarat

Dear Sir,

**Reg: Fairness Opinion in connection with the proposed demerger of Chemical Business Undertaking of Gujarat Fluorochemicals Limited ("GFL") into a proposed new company ("Resulting Company")**

Keynote Corporate Services Limited ("Keynote" or "we" or "us") is a Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We understand that the Board of Directors of Gujarat Fluorochemicals Limited is contemplating a Scheme of Arrangement ("Scheme") for the demerger of its Chemical Business Undertaking into its wholly-owned subsidiary (hereinafter referred to as "Resulting Company") pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

In connection with the aforesaid, we have been requested by the Board of Directors of GFL to issue a Fairness Opinion as of the date hereof, as to the fairness of the Share Allotment/ Entitlement Ratio to the Equity Shareholders of GFL. We have perused the documents/ information provided by you in respect of the Scheme and the Valuation Report as issued by Walker Chandiok & Co LLP ("WCC") dated 13<sup>th</sup> November 2018 and state as follows:

**Company Profile:**

Gujarat Fluorochemicals Limited (GFL), a subsidiary of Inox Leasing and Finance Limited, and incorporated in 1987, has evolved as a producer of chloromethanes, refrigerants and Polytetrafluoroethylene (PTFE) in India. The Company is a part of the Inox Group, which is diversified across the industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, renewable energy and entertainment sectors. GFL primarily supplied CFC and HCFC to more than 75 countries globally. As CFCs were eventually phased out under the Montreal Protocol, in 2007 the Company forward integrated into PTFE (Poly Tetra Fluoro Ethylene) by commissioning a technologically advanced PTFE facility in Dahej, Gujarat. Shares of GFL are listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE").

GFL also carries on other business through its subsidiaries in India:

1. **Inox Leisure Limited ("ILL"):** National multiplex chain operator, with 509 screens in 127 properties across 64 cities in India, with a total capacity of 1,24,941 seats. Shares of ILL are listed on BSE and NSE.



Page 1 of 4

**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407

2. **Inox Wind Limited (“IWL”)**: Wind turbine manufacturer with a wind turbine manufacturing capacity of 1,600 MW and a cumulative installed base of 2.4 GW. Shares of IWL are also listed on BSE and NSE.
3. **Inox Renewables Limited (“IRL”)**: Wind farming business, Inox Renewables Limited operates wind farms with a total capacity of 31 MW. IRL is a 100% subsidiary of GFL.

**Rationale of the Scheme:**

GFL is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL are distinct and diverse in its business characteristics with different risk and return profiles & capital and operational requirements. The management of GFL believes that the scheme will provide better flexibility to investors to select investments which best suit their investment strategies and risk profile for each of the businesses of GFL. It will also result in economies in business operations; provide optimal utilization of resources and greater administrative efficiencies

In consideration of the demerger of the Chemical Business Undertaking of GFL into the Resulting Company, for every 1 (one) fully paid equity shares of face value of Re. 1/- each held by the shareholders of GFL, 1 (one) fully paid equity share of face value of Re. 1/- each of the Resulting Company shall be issued and allotted (referred to as the “Share Allotment / Entitlement Ratio”).

**Sources of Information:**

For arriving at the Fairness Opinion set forth below, we have relied upon the following sources of information:

- Valuation Report by Walker Chandiok & Co LLP dated 13<sup>th</sup> November 2018;
- Draft Scheme of Arrangement between GFL and Resulting Company and their Respective Shareholders;
- Annual reports for FY 2016-2017 and 2017-2018 of Gujarat Fluorochemicals Limited.

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis.

**Our Recommendation:**

As stated in the Valuation Report by Walker Chandiok & Co LLP, they have recommended the following:

**“1(one) fully paid equity share of Re.1 (Rupees one) each of the Resulting Company for every 1 (one) fully paid equity share of Re.1 (Rupees one) each held in GFL”**

The aforesaid demerger shall be pursuant to the Scheme of Arrangement and shall be subject to receipt of approval from the National Company Law Tribunal or such other competent authority as may be



applicable and other statutory approvals as may be required. The detailed terms and conditions of the demerger are more fully set forth in the Draft Scheme of Arrangement. Keynote has issued the Fairness Opinion with the understanding that Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

**Based on the information, data made available to us, including the Share Allotment Ratio Report, to the best of our knowledge and belief, the Share Allotment/ Entitlement Ratio as recommended by Walker Chandio & Co LLP in relation to the proposed Draft Scheme of Arrangement is Fair to the equity shareholders of Gujarat Fluorochemicals Limited in our opinion.**

**Exclusions and Limitations:**

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by GFL for the purpose of this opinion. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of GFL. We have solely relied upon the information provided to us by GFL. We have not reviewed any books or records of GFL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of GFL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of GFL. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by GFL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on this opinion. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of GFL with respect to these matters. In addition, we have assumed that the Draft Scheme of Arrangement will be approved by the regulatory authorities and that the proposed Transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Arrangement.

We understand that the management of GFL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the Transaction that GFL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving GFL or any of its assets, nor did we negotiate with any other party in this regard.



Page 3 of 4

**Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: info@keynoteindia.net • Website: www.keynoteindia.net  
CIN-L67120MH1993PLC072407



We have acted as a financial advisor to GFL for providing a Fairness Opinion and will receive a fee for our services.


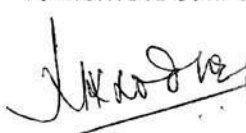
In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may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

The Fairness Opinion is addressed only to the Board of Directors of GFL and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of GFL and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/ or creditors of the Company. The Fairness Opinion should be read in totality and not in parts. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Keynote's prior written consent. If this Fairness Opinion is used by any person other than whom it is addressed or for any purpose other than the purpose state hereinabove, then we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to GFL's underlying decision to effect to the proposed Transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of GFL should vote at their respective meetings, if any, held in connection with the Transaction. We do not express and should not be deemed to have expressed any views on any other terms of Transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of GFL will trade following the announcement of the Transaction or as to the financial performance of GFL following the consummation of the Transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, GFL and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**



**Nipun Lodha**

*Exec. Vice President and Head Corporate Finance*

## Keynote Corporate Services Limited

The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai - 400028  
Tel.: 91 22 3026 6000 • Fax: 91 22 3026 6088 Email: [info@keynoteindia.net](mailto:info@keynoteindia.net) • Website: [www.keynoteindia.net](http://www.keynoteindia.net)  
CIN-L67120MH1993PLC072407

# KEYNOTE

To  
The Board of Directors,  
Gujarat Fluorochemicals Limited,  
Survey Number 16/3, 26 and 27,  
Village Ranjitnagar 389380,  
Taluka Ghoghamba,  
District Panchmahal, Gujarat

To  
The Board of Directors,  
INOX Fluorochemicals Limited,  
Survey Number 16/3, 26 and 27,  
Village Ranjitnagar 389380,  
Taluka Ghoghamba,  
District Panchmahal, Gujarat

Date: 11 December, 2018

**Reg:** Recommendation of fair Share Entitlement Ratio for the propose demerger of chemical business undertaking of Gujarat Fluorochemicals Limited ("GFL") into Proposed NewCo.

Dear Sir,

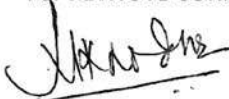
This refers to the Fairness Opinion dated 13 November, 2018 for the proposed demerger of the Chemical Business Undertaking of GFL into Proposed NewCo. ("Fairness Opinion") issued by Keynote Corporate Services Limited ("We" or "KCSL").

We are informed based on your email dated 11 December 2018, that the Proposed NewCo. referred to in the Fairness Opinion has been incorporated on 6 December, 2018 as INOX Fluorochemicals Limited. Accordingly we confirm that the Fairness Opinion can be used for proposed scheme of Arrangement by INOX Fluorochemicals Limited.

Please note that all the terms of the Engagement Letter Dated 13 November, 2018 and the clauses mentioned in the Fairness Opinion remain same and are applicable to INOX Fluorochemicals Limited.

Yours sincerely,

For KEYNOTE CORPORATE SERVICES LTD



**Nipun Lodha**

*Exec. Vice President and Head Corporate Finance*



DCS/AMAL/SV/R37/1407/2018-19

February 15, 2019

The Company Secretary,  
**Gujarat Fluorochemicals Ltd.**  
 Survey No 16/3, 26 & 27, Ranjitnagar,  
 Taluka Ghoghamba, Panchmahal, Gujarat, 389380

Dear Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement between Gujarat Fluorochemicals Limited and Inox Fluorochemicals Limited and their respective shareholders and creditors**

We are in receipt of Draft Scheme of Arrangement between Gujarat Fluorochemicals Limited and Inox Fluorochemicals Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated February 15, 2019 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

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

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

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Inox Fluorochemicals Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Inox Fluorochemicals Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
 Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India  
 T: +91 22 2272 1234/33 | E: corp.com@bseindia.com | www.bseindia.com  
 Corporate Identity Number : L67120MH2005PLC155188

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Inox Fluorochemicals Limited is at the discretion of the Exchange. In addition to the above, the listing of Inox Fluorochemicals Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Inox Fluorochemicals Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information of Inox Fluorochemicals Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Inox Fluorochemicals Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
  - i. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - ii. "There shall be no change in the shareholding pattern of Inox Fluorochemicals Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

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

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

Yours faithfully,



**Nitinkumar Pujari**  
Senior Manager



**Sabah Vaze**  
Associate Manager



## National Stock Exchange Of India Limited

Ref: NSE/LIST/19503

February 18, 2019

The Company Secretary  
Gujarat Fluorochemicals Limited  
Survey No. 16/3, 26, 27,  
Ranjit Nagar 389 380,  
Ghoghamba Taluka  
Gujarat - 389380

**Kind Attn.: Mr. Bhavin V. Desai**

Dear Sir,

**Sub: Observation Letter for Scheme of Arrangement between Gujarat Fluorochemicals Limited and Inox Fluorochemicals Limited and their respective shareholders.**

We are in receipt of the Scheme of Arrangement between Gujarat Fluorochemicals Limited ('Demerged Company' or 'GFL 1') and Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective shareholders vide application dated December 19, 2018.

Based on our letter reference no Ref: NSE/LIST/72368 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated February 15, 2019, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circular.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *The Company shall ensure that the applicable information pertaining to unlisted companies – Inox Fluorochemicals Limited is included in abridged prospectus as per specified format.*
- e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

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

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

The validity of this “Observation Letter” shall be six months from February 18, 2019, within which the scheme shall be submitted to NCLT.

Yours faithfully,  
For **National Stock Exchange of India Limited**

Rajendra Bhosale  
Manager

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

Tel.: +91 265 61 98111  
Fax: +91 265 23 10312



GUJARAT  
FLUORO CHEMICALS  
LIMITED

ABS Towers, 2nd Floor, Old Padra Road, Vadodara - 390 007, Gujarat, India  
CIN : L24118 GJ1987 PLC009362 • Email : contact@gfl.co.in • Web : www.gfl.co.in



Date: 15/01/2019

To  
Listing Department  
Department of Corporate Services  
BSE Limited  
P.J. Towers Dalal Street  
Mumbai – 400001  
BSE script code: 500173

**Sub:** Submission of Complaints Report as per Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"]

**Ref:** Application no. 88619 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL1") and Inox Fluorochemicals Limited ("the Resulting Company" or "GFL2") and their respective shareholders ("the Scheme").

Dear Sirs,

In regards to our captioned application number filed under Regulation 37, please find enclosed herewith the Complaints Report, in the prescribed format for your perusal.

Request you to kindly take the same on your records.

For Gujarat Fluorochemicals Limited

*Bsm*  
Bhavin Desai  
Company Secretary



Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahels, Gujarat. Telefax : +91 (2678) 248153  
Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610  
Mumbai Office : 68, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, Tel. : +91 (22) 22026314, Fax : +91 (22) 22025588

Tel.: +91 265 81 88111  
Fax: +91 265 23 10312



GUJARAT  
FLUORO CHEMICALS  
LIMITED

ABS Towers, 2nd Floor, Old Padra Road, Vadodra - 390 007, Gujarat, India  
CIN : L24110 GJ1987 PLC009362 • Email : contact@gfi.co.in • Web: www.gfi.co.in



### Complaints Report

#### Part A

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

#### Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For Gujarat Fluorochemicals Limited

*B. Desai*

Bhavin Desai  
Company Secretary



Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153  
Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610  
Mumbai Office : 68, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, Tel. : +91 (22) 22026314, Fax : +91 (22) 22025588



Tel.: +91 285 61 98111  
Fax: +91 285 23 18312



ABS Towers, 2nd Floor, Old Padra Road, Vadodra - 398 007, Gujarat, India  
CIN : L24118 GJ1987 PLC089362 • Email : contact@gfl.co.in • Web: www.gfl.co.in

Date: 31/01/2019

To,  
Manager – Listing – Compliance Department  
National Stock Exchange of India Limited (NSE)  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400051.  
NSE Symbol: GUJFLUORO

**Sub:** Submission of Complaints Report as per Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"]

**Ref:** Application no. 19503 filed under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL1") and Inox Fluorochemicals Limited ("the Resulting Company" or "GFL2") and their respective shareholders ("the Scheme").

Dear Sirs,

In regards to our captioned application number filed under Regulation 37, please find enclosed herewith the Complaints Report for the period from 9<sup>th</sup> January, 2019 to 30<sup>th</sup> January, 2019, in the prescribed format for your perusal.

Request you to kindly take the same on your records.

For Gujarat Fluorochemicals Limited

Bhavin Desai  
Company Secretary



Regd. Office : Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153  
Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, NP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610  
Mumbai Office : 68, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, Tel. : +91 (22) 22026314, Fax : +91 (22) 22025588

Tel.: +91 265 61 98111  
Fax: +91 265 23 10312



ABS Towers, 2nd Floor, Old Padra Road, Vadodara - 390 007, Gujarat, India  
CIN : L24110 GJ1987 PLC009362 • Email : contact@gfl.co.in • Web: www.gfl.co.in

**Complaints Report for the period from 9<sup>th</sup> January, 2019 to 30<sup>th</sup> January, 2019**

**Part A**

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

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For Gujarat Fluorochemicals Limited

  
Bhavin Desai  
Company Secretary



Regd. Office : Survey No. 16(3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153  
Delhi Office : Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149610  
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Tel.: +91 265 61 98111  
Fax: +91 265 23 10312



GUJARAT  
FLUORO CHEMICALS  
LIMITED

ABS Towers, 2nd Floor, Old Padra Road, Vadodara - 390 007, Gujarat, India  
CIN : L24110 GJ1987 PLC088362 • Email : contact@gfl.co.in • Web: www.gfl.co.in



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GUJARAT FLUORO CHEMICALS LIMITED AT ITS MEETING HELD ON FEBRUARY 13, 2019 AT INOX TOWERS, 17, SECTOR 16A, NOIDA 201301 EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS**

The Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL 1") and Inox Fluorochemicals Limited ("the Resulting Company" or "GFL 2") and their respective shareholders ("the Scheme") under Section 230-232 and other applicable provisions of the Companies Act, 2013 was approved by the Board of Directors vide its board resolutions dated 14<sup>th</sup> November, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange/entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provision, following was discussed by the Board of Directors:

1. Based on the Share Entitlement Report dated 13<sup>th</sup> November, 2018 obtained from M/s Walker Chandio & Co. LLP, the Scheme provides the following share entitlement ratio:

***On demerger of the demerged undertaking from the Demerged Company into the Resulting Company***

*"1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re. 1 each fully paid up and held in the Demerged Company"*

2. No special valuation difficulties were reported by M/s Walker Chandio & Co. LLP, in their aforesaid Report.
3. Fairness opinion was obtained from Keynote Capital Services Limited, a Category I Merchant Banker, wherein they opined that the proposed Scheme is fair and reasonable.
4. The promoter and public shareholding of the Company will not be diluted post Scheme and shall remain 68.33% and 31.67% respectively. All inter-company holdings shall stand cancelled, without any further act or deed, upon this Scheme becoming effective.

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Mumbai Office : 68, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, Tel. : +91 (22) 22025314, Fax : +91 (22) 22025588

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GUJARAT  
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5. As stated in the Scheme, upon the issue of shares by the Resulting Company in accordance with the Scheme, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment.
6. As stated in the Scheme, upon sanction of this Scheme, the name of the Demerged Company shall automatically stand changed without any further act, instrument or deed on the part of the Demerged Company, to "GFL Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Demerged Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
7. As stated in the Scheme, upon sanction of this Scheme, the name of the Resulting Company shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to "Gujarat Fluorochemicals Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Resulting Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
8. As stated in the Scheme, all the permanent staff, workmen and employees of the Demerged Company engaged in or in relation to the Chemical business undertaking who are in service as on the Effective Date shall become staff, workmen and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment shall not be less favorable than those applicable to them with reference to their employment with the respective transferor companies as on the Effective Date.

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9. The new equity shares of the Resulting Company to be issued to shareholders of GFL 1 will be listed for trading on the stock exchanges where the existing shares of the Demerged Company are listed.
10. Under the Scheme, there is no arrangement with the creditors of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability to the creditors of the Company, under the Scheme, is neither reduced nor being extinguished.
11. The Scheme would not have any effect on Key Managerial Personnel of the Company.
12. There will be no adverse effect of the said Scheme on the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, creditors, employees and other stakeholders of the Company.

For GUJARAT FLUOROCHEMICALS LIMITED

**Bhavin Desai**  
Company Secretary

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# INOX Fluorochemicals Limited

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Telephone: +91 (265) 6198111 Fax : +91 (265) 2310 312

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF INOX FLUORO-CHEMICALS LIMITED AT ITS MEETING HELD ON WEDNESDAY, 12TH DECEMBER, 2018 AT THE CORPORATE OFFICE OF THE COMPANY EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS.

The Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL 1") and INOX Fluorochemicals Limited ("the Resulting Company" or "GFL 2") and their respective shareholders ("the Scheme") under Section 230-232 and other applicable provisions of the Companies Act, 2013 was approved by the Board of Directors vide its board resolutions dated 12<sup>th</sup> December, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange/entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provision, following was discussed by the Board of Directors:

1. Based on the Share Entitlement Report dated 13<sup>th</sup> November, 2018 obtained from M/s Walker Chandiook & Co. LLP and their letter in this regard dated 11<sup>th</sup> December, 2018, the Scheme provides the following share entitlement ratio:

***On demerger of the demerged undertaking from the Demerged Company into the Resulting Company***

*"1 (One) fully paid up Equity Share of face value of Re. 1 each of the Resulting Company shall be issued and allotted as fully paid up for every 1 (One) Equity Share of face value of Re. 1 each fully paid up and held in the Demerged Company"*

2. No special valuation difficulties were reported by M/s Walker Chandiook & Co. LLP, in their aforesaid Report.
3. Fairness opinion was obtained from Keynote Capital Services Limited, a Category I Merchant Banker, wherein they opined that the proposed Scheme is fair and reasonable.

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CIN: U24304GJ2018PLC105479*



# INOX Fluorochemicals Limited

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4. The promoter and public shareholding of the Company, post the Scheme will be 68.33% and 31.67% respectively. All inter-company holdings shall stand cancelled, without any further act or deed, upon this Scheme becoming effective.
5. As stated in the Scheme, upon the issue of shares by the Resulting Company in accordance with the Scheme, the existing capital comprising of 100,000 equity shares of Re. 1/- each aggregating to Rs. 100,000/- (Rupees One Lakh Only) each of the Resulting Company held by the Demerged Company and by its nominees as on the Effective Date shall, without any application or deed, stand cancelled without any payment.
6. As stated in the Scheme, upon sanction of this Scheme, the name of the Demerged Company shall automatically stand changed without any further act, instrument or deed on the part of the Demerged Company, to "GFL Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Demerged Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
7. As stated in the Scheme, upon sanction of this Scheme, the name of the Resulting Company shall automatically stand changed without any further act, instrument or deed on the part of the Resulting Company, to "Gujarat Fluorochemicals Limited" or such other name as may be approved by the concerned Registrar of Companies, unless already effected prior to sanction of the Scheme and the Memorandum of Association and Articles of Association of the Resulting Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.
8. As stated in the Scheme, all the permanent staff, workmen and employees of the Demerged Company engaged in or in relation to the Chemical business undertaking who are in service as on the Effective Date shall become staff, workmen and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment shall not be less favorable than those applicable to

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them with reference to their employment with the respective transferor companies as on the Effective Date.

9. The new equity shares of the Resulting Company to be issued to shareholders of GFL 1 will be listed for trading on the stock exchanges where the existing shares of the Demerged Company are listed.
  
10. Under the Scheme, there is no arrangement with the creditors of the Company. No compromise is offered under the Scheme to any of the creditors of the Company. The liability to the creditors of the Company, under the Scheme, is neither reduced nor being extinguished.
  
11. The Scheme would not have any effect on Key Managerial Personnel of the Company.
  
12. There will be no adverse effect of the said Scheme on the equity shareholders, key managerial personnel, promoter and non-promoter shareholders, creditors, employees and other stakeholders of the Company.

**For Inox Fluorochemicals Limited**

Dinesh Kumar Sachdeva  
Director

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**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS  
(AS PROVIDED IN PART E OF SCHEDULE VI OF THE ICDR REGULATIONS, 2018)**

This Document contains information pertaining to unlisted entity involved in the proposed Scheme of Arrangement among Gujarat Fluorochemicals Limited 1 ('GFL1' or 'Demerged Company') and Inox Fluorochemicals Limited ('GFL2' or 'Resulting Company') and their respective shareholders and creditors in terms of requirement specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

<b>Inox Fluorochemicals Limited</b> <b>Registered Office:</b> Survey Number 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba District Panchmahal, Gujarat 389380 <b>Corporate Office:</b> Inox Towers, 17 Sector 16 A, Noida - 201301, Uttar Pradesh <b>Telephone:</b> +91 2678 248153; <b>Fax:</b> +91 2678 248153; <b>Email:</b> <a href="mailto:bvdesai@gfl.co.in">bvdesai@gfl.co.in</a> , <b>Website:</b> <a href="http://www.gfl.co.in">www.gfl.co.in</a> <b>CIN:</b> U24304GJ2018PLC105479 <b>Contact Person:</b> Bhavin Desai		
<b>PROMOTER</b>		
Inox Leasing and Finance Limited		
<b>DETAILS OF THE SCHEME OF ARRANGEMENT</b>		
The Scheme of Arrangement provides for demerger of Chemical Business Undertaking from GFL 1 into GFL 2 under provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and matters consequential, supplemental and/or otherwise integrally connected therewith. As a consideration for demerger, equity shares would be issued by GFL 2 to the shareholders of GFL1 and existing share capital of GFL 2 (held by GFL 1 and its nominees) would be cancelled.		
<b>STATUTORY AUDITORS</b>		
Patankar & Associates, Chartered Accountants <b>Address:</b> Office No. 19-23, 4th Floor, Gotd Wings, S.No. '1'18A, Plot No. 543, Parvati Nagar, Sinhgad Road, Pune <b>Phone: 020 – 24252117</b>		
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## PROMOTERS OF GFL 1 & GFL 2

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Current Promoter of GFL 2 is GFL 1. Upon implementation of Scheme of Arrangement and approvals from the regulatory authorities, the Promoters of GFL 2 shall be Inox Leasing and Finance Limited. Details of the promoter and promoter group entities are given below:

1. **Inox Leasing and Finance Limited (ILFL)** was incorporated on February 17, 1995, carrying out business as a finance company including financing industrial, commercial and business operations by means of loans, leasing, hiring and hire purchases, dealing in shares and securities, having Mr. Devendra Kumar Jain, Mr. Pavan Kumar Jain, Mr. Vivek Jain, Mr. Siddharth Jain and Mr. Devansh Jain as its Board of Directors.

The Company is not listed on any stock exchange and has registered office at 69 Jolly Maker Chambers II, Nariman Point, Mumbai 400 021

### **List of top 5 largest listed / unlisted group companies of GFL 2 as per Item (13) (B) of Part A of the Schedule VI of SEBI (ICDR) Regulations, 2018**

#### **Listed:**

1. INOX Leisure Limited
2. INOX Wind Limited

#### **Unlisted:**

1. INOX Air Products Private Limited
2. INOX India Private Limited
3. INOX Wind Infrastructure Services Limited

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## **BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY**

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GFL 1 is one of the leading player in the international and domestic Polytetrafluoroethylene (PTFE) market, with over 25 years' of experience in the field. GFL 1 operates one of the largest PTFE facilities in the world, accounting for more than 10% of the global PTFE capacity. This is amongst the world's most integrated and technologically advanced PTFE facility in the world.

There are multiple levers that will fuel us on our long marathon to success. Our ability to produce a wide range of chemicals through our vertically integrated facility makes us one of the most cost competitive PTFE producers globally, and also, less susceptible to volatilities of the commodity cycle. A gradual shift to value-added products enables us generate better margins and more stable pricing for our products.

As we move ahead post demerger of Chemical Business Undertaking from GFL 1 into GFL 2, GFL 2 is fixated on becoming a leading global fluoropolymer player and in deriving value creation by fully commercializing our new manufacturing facilities for polymers and developing new products. GFL 2 would be leveraging the potential for business scalability by incurring incremental investments. GFL 2 would also strive in improving the realizations by churning the product mix in favor of higher value-added grades, and implementing cost reduction schemes.

GFL 2 would also be value adding by diversifying into fluoro-speciality chemicals and other fluoro-polymers, based on low-cost captive availability of a host of fluoro-feedstocks. GFL 2 would remain poised to reap the benefits of increasing capacity utilization by scaling higher the operating leverage, operating margins and return ratios.

The Vision is to consolidate the capacities created in each business segment, especially in fluoropolymers, and operate them in a world-class and safe manner to service global customers as a reliable, long-term and high quality supply chain partner. GFL 2 would make smart investments today, to reap their benefits tomorrow. Through the forward-thinking approach, GFL 2 would be well poised for sustainably delivering enriched stakeholder growth and in becoming the world's leading fluoropolymer player.

### Key Strategies for Future Growth:

- Complete focus on enhancing safety of our operations by deploying global best facilitators in the game;
- Attaining full capacity utilization of debottle necked and expanded capacities in fluoropolymers;
- Adding high value-added fluoropolymers such as PCTFE, TSAN and FFKM as well as additional fluoro-intermediates to continue the offerings of a full fluorine bouquet to our global customers; and
- Continuing to provide top-class technical and logistics services to the customers.

### BOARD OF DIRECTORS OF GFL 2

#### Board of Directors of GFL 2:

Sr. No.	Name	DOB	Qualification	Experience including current / past position held in other firms
1	Shri Devendra Kumar Jain Director(NED) DIN: 00029782	02.03.1929	B.A. History (Hons)	Mr. Devendra Kumar Jain possesses <b>over 60 years of rich experience</b> in business management and international trade. In recognition of his successful efforts to increase bilateral trade with Commonwealth countries, he was granted a Dignity of an Honorary Member of the Civil Division in the Order of the British Empire by Her Majesty, the Queen of England. He is a part of promoter group.
2	Shri Vivek Kumar Jain Managing Director, DIN: 00029968	30.08.1955	B.Com; PGDBM from IIM Ahmedabad	Shri Vivek Jain has <b>over 33 years of rich business experience</b> in setting up and managing several businesses. Shri Vivek Jain is Managing Director of Gujarat Fluorochemicals Limited (GFL) since its inception. Under his leadership, GFL has grown as an Industry with multiple business activities from a single manufacturing unit to a diversified business conglomerate producing several world – class business of global scale of refrigerant gases to entire Chemical Complex with manufacturing of Caustic Soda, Chloromethane, and Poly Tetra Fluoro Ethane (PTFE). He is a part of promoter group.
3	Shri Pavan Kumar Jain Director(NED, DIN: 00030098	17.05.1951	Chemical Engineer from IIT, New Delhi	Mr. Pavan Kumar Jain has <b>over 38 years of experience</b> of handling several diverse businesses, of which the last twenty two have been as Managing Director of Inox Air Products Private Limited. He is a part of promoter group.
4	Shri Shailendra Swarup Independent Director, DIN: 00167799	20.11.1944	LL.B.	Mr. Shailendra Swarup is a Senior Advocate. He is practicing in the High Court and Supreme Court of India, at New Delhi. He has <b>around 44 years of experience</b> in handling various legal matters. He is also on the Board of several professionally managed companies. Mr. Swarup was a member of the Task Force on Corporate Governance constituted by the confederation of Indian Industry under the Chairmanship of Mr. Rahul Bajaj. He was a member of consultative Group constituted by the Reserve Bank of India under the Chairmanship of Dr AS Ganguly.

5	Shri Dinesh Kumar Sachdeva Whole-Time Director, DIN: 00050740	12.12.1944	B.Tech. Chemical Engineer from IIT, Kharagpur	Mr. Dinesh Kumar Sachdeva <b>has over 47 years of experience</b> in the technical field of various chemical / process plants.
6	Shri Om Prakash Lohia Independent Director, DIN: 00206807	26.05.1949	B.com.	Mr. Om Prakash Lohia is Chairman and Managing Director of Indo Rama Synthetics (India) Limited. He has joined the family textile business after graduation which gave him management exposure in all disciplines of business management. Mr Lohia has been awarded Ugyog Ratna award by the Madhya Pradesh Government in 2005.
7	Shri Deepak Asher Director (NED), DIN: 00035371	15.01.1959	B.Com., LLB, CA, ICWA	Mr. Deepak Asher has been associated with the Inox Group <b>for more than thirty years now</b> , in different capacities. He has been responsible for spearheading the Group's diversification into the cinema and CDM businesses, and the wind energy business.
8	Shri Shanti Prasad Jain Independent Director, DIN: 00023379	01.02.1940	FCA	Mr. Shanti Prasad Jain is a leading Chartered Accountant and <b>practicing since 1963</b> . He has specialized in taxation matters of various reputed companies and banks.
9	Shri Rajagopalan Doraiswami Independent Director, DIN: 07013468	26.07.1949	MSc Physics, IAS	Mr. Rajagopalan Doraiswami has retired from the Government Service. During the tenure of his service, he has headed various Government offices.
10	Ms. Vanita Bhargava Independent Director, DIN: 07156852	01.03.1974	Bcom , LLB	Ms Vanita Bhargava is a partner in the Dispute Resolution Group of Khaitan & Co, New Delhi. Ms Vanita Bhargava <b>has 20 years</b> of experience as practicing advocate at Supreme Court, High Court, Company Law Board, National Green Tribunal, Mining Tribunal, Consumer Forums and its Appellate Authorities.
11	Shri Anand R Bhusari Whole-time Director, DIN: 07167198	13.05.1958	M.Tech. Chemical Engineer from IIT, Mumbai	Mr Anand Bhusari <b>has over 34 years of experience</b> essentially in Petrochemicals & Refinery Operations, technology management, project execution, debottle necking, safety and quality systems. He was associated with Reliance Industries for 18 years with his last assignment as COO. Prior to that he was with NOCIL for nearly 10 years.
12	Shri Chandra Prakash Jain Independent Director, DIN: 00011964	03.03.1946	B.Com, LLB, FCA , Advance Diploma in Management.	Shri Chandra Prakash Jain was former Chairman and Managing Director of NTPC Limited. For the period 2003-05, he had been the Chairman of the SCOPE- Standing Conference of Public Enterprises - the apex organization of Central Public Sector Enterprises (CPSEs) in INDIA. He was also the Chairman of the 'Global Studies Committee' of World Energy Council London and the Member of its Officers Council for the 6-year term up to September, 2010.

Since GFL 2 has been newly incorporated, there has been no change in the Board of Directors of GFL 2 since incorporation.

### SHAREHOLDING PATTERN OF GFL 2 (Pre and Post Demerger)

Shareholding pattern of GFL 2 Pre Demerger:

Sr. No.	Particular	Number of Equity Shares Held	% of Holding
1.	Gujarat Fluorochemicals Limited	99400	99.40%
2.	Nominees of GFL 1	600	0.60%
	<b>Total</b>	<b>100,000</b>	<b>100.00%</b>

Following will be the shareholding pattern of GFL 2 upon implementation of Scheme of Demerger:

Sr. No.	Particular	Number of Equity Shares Held	% of Holding
1.	<i>Promoter</i>		
a.	Inox Leasing and Finance Limited	57,715,310	52.54%
	<i>Promoter Group</i>		
a.	Devansh Trademart LLP	6,662,360	6.07%
b.	Siddhapavan Trading LLP	5,576,440	5.08%
c.	Inox Chemicals LLP	2,955,230	2.69%
d.	Siddho Mal Trading LLP	2,019,260	1.84%
e.	Individuals	136,300	0.14%
	Total Promoter & Promoter Group	75,064,900	68.33%
2.	Public	34,785,100	31.67%
	<b>Total</b>	<b>109,850,000</b>	<b>100.00%</b>

### AUDITED FINANCIALS OF GFL 1 PERTAINING TO CHEMICAL BUSINESS UNDERTAKING

Standalone	Rs. In lakhs			
	HY 2018	FY 2017-18	FY 2016-17	FY 2015-16
Total income from operations (net) **	137,501	208,431	153,206	143,522
Net Profit / (Loss) before tax and exceptional items	33,669	44,092	15,956	12,594
Net Profit / (Loss) after tax and exceptional items	56,151	30,626	12,828	8,482
Equity Share Capital	1,099	1,099	1,099	1,099
Reserves and Surplus	314,695	267,454	235,591	241,610
Net worth	315,793	268,552	236,690	242,709
Basic earnings per share (Rs.)	51.12	27.88	11.68	7.72
Diluted earnings per share (Rs.)	51.12	27.88	11.68	7.72
Return on net worth (%)	17.78	11.40	5.42	3.49
Net asset value per share (Rs.)	287.48	244.47	215.47	220.95

Note : \*\* Total Income from operation does not include other income

Consolidated	Rs. In lakhs			
	HY 2018	FY 2017-18	FY 2016-17	FY 2015-16
Total income from operations (net) **	135,431	215,253	156,952	147,873
Net Profit / (Loss) before tax and exceptional items	32,020	45,050	15,979	11,235
Net Profit / (Loss) after tax and exceptional items	54,787	31,419	12,936	7,005
Equity Share Capital	1,099	1,099	1,099	1,099
Reserves and Surplus*	314,421	267,538	234,626	240,558
Net worth	315,333	268,566	235,713	241,717
Basic earnings per share (Rs.)	49.87	28.60	11.78	6.38
Diluted earnings per share (Rs.)	49.87	28.60	11.78	6.38
Return on net worth (%)	17.37	11.70	5.49	2.90
Net asset value per share (Rs.)	287.06	244.48	214.58	220.04

Note : \*Reserves and Surplus does not includes Non Controlling Interest

## INTERNAL RISK FACTORS

1. GFL 2 would be exposed to normal industry risk factors, economic cycles and uncertainties in the markets. Due to the commodity nature of some of the products currently produced by GFL 1, GFL 2 would be susceptible to the vagaries of commodity cycles. A key risk includes increased competition and impact on pricing, due to any additional capacities set up by Chinese manufacturers, which could affect GFL 2's sales, realizations and profitability.
2. GFL 2's production would be done at various manufacturing locations and hence location risks would also exist. In the event of disruption in the operations at any location or in the event of any unforeseen event happening at any location, it could materially affect operations. The operations of GFL 2 would be dependent on skilled labour, and hence it could also be subjected to problems associated with industrial relations and talent shortage.
3. If GFL2 is unable to estimate demand for their products and thereby effectively manage inventory, it could have an adverse effect on their business, results of operations and financial condition.
4. GFL2 will be subject to safety, health, environmental, labour, workplace and related laws and regulations and any failure to comply with any current or future laws or regulations could have a material adverse effect on its business, financial condition and results of operations.
5. Newly developed products may replace GFL2's existing products and their research and development efforts may not yield new products, processes and solutions consistently to enable them to remain competitive.
6. GFL2's performance depends to a large extent on the efforts and abilities of its Promoters and Key Management Personnel. The loss of or diminution in the services of one or more of its Promoters and Key Management Personnel could have a material adverse effect on business, financial condition and results of operations.
7. A material disruption at one or more of GFL2's manufacturing facilities could have a material adverse effect on its business, results of operations and financial condition.

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against and by GFL 1 and amount involved are as under –

Type of Cases	Number of cases	Amount involved (Rs Lakhs)
Civil Matters	6	208
Criminal Matters	7	1,053
Labour Claims	1	-
Tax Matters	25	2,988
Consumer Complaints	3	81
<b>Total</b>	<b>42</b>	<b>4,330</b>

- B. Brief details of top 5 material outstanding litigations against the Company and amount involved –

Sr. No.	Particulars	Litigation filed by	Current Status	Amount (Rs. Lakhs)
1	Differential duty on Import of Coal on high seas	Customs Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	756

2	Reopening of the assessment in respect of deduction claimed under section 80IA for F.Y.2009-10 and F.Y.2010-11	Income Tax Dept.	Matter is pending at Commissioner of Income Tax (Appeals)-1, Vadodara.	537
3	Excise Duty on freight recovered from customers	Excise Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	286
4	Non-payment of Service tax on Import of services relating to supply of tangible goods, online information database access or retrieval services– May 2008 to March 2015 & April 2015 to March 2016	Service Tax Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	219
5	Excise Duty on freight recovered from customers	Excise Dept.	Matter is pending at Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad	116
<b>Total</b>				<b>1,914</b>

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any: **Nil**

D. Brief details of outstanding criminal proceedings against Promoters: **Nil**

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#### **RATIONALE AND BENEFITS OF THE SCHEME OF ARRANGEMENT**

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The Scheme shall achieve the following benefits:

- Segregation of Businesses: GFL 1 is engaged in the business of manufacturing chemicals, refrigerants, fluoropolymers, etc. Further, through investments in its subsidiaries, GFL 1 is also engaged in Wind Energy, Wind Farming, Entertainment and other businesses. Each of the business activities being carried out by GFL 1 are distinct and diverse in its business characteristics with different risk and return profiles & capital and operational requirements. The management of GFL 1 believes that the scheme will provide better flexibility to investors to select investments which best suit their investment strategies and risk profile for each of the businesses of GFL 1.
- Result in economies in business operations; provide optimal utilization of resources and greater administrative efficiencies.
- The proposed demerger of the Chemical business will unlock value for the existing shareholders and allow the management to have a focused growth strategy which would be in the best interest of all the stakeholders.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of GFL 1. The Scheme would be in the best interest of all stakeholders in GFL 1.

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#### **ANY OTHER IMPORTANT INFORMATION OF GFL 2**

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- Authority for the issue – The Scheme was approved by the Board of Directors of GFL 1 in their meeting held on November 14, 2018 and GFL 2 on December 12, 2018. The same is subject to statutory approvals including from the SEBI, Shareholders, Stock Exchanges, National Company Law Tribunal, , Regional Director & Registrar of Companies.
- Expert Opinion obtained, if any – Share Exchange Report and Fairness Opinion

- Material Contracts and Documents for Inspection:
  1. Memorandum & Articles of Association
  2. Financial Statements & latest Shareholding Pattern
  3. Draft Scheme of Arrangement
  4. Share Exchange Ratio Report and Fairness Opinion pursuant for the Scheme
  5. Networth Certificate pre and post Scheme
- Time and Place of Inspection of material contracts and documents – Copies of the above mentioned documents for the inspection referred to hereunder, may be inspected at GFL 2's Registered Office situated at Survey Number 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba District Panchmahal, Gujarat 389380, between 10:00 am and 5:00 pm on all working days (Monday to Friday) from the date of this Abridged Prospectus until the listing approval.

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#### **DECLARATION**

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We hereby declare that all relevant provisions of the Companies Act, 1956 & Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this abridged prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Abridged Prospectus are true & correct.

**For INOX Fluorochemicals Limited**

**Dinesh Kumar Sachdeva**

**Director**

**Place:** Vadodara

**Date:** December 13, 2018



# Kulkarni and Company

## Chartered Accountants

Fiat No.3, First Floor, Shree Vishnu Complex, S.No. 120A/120B, Plot No. 545/6, Sinhgad Road, Pune - 411030

Contact: +91 9850898715 email : nmk@kulkarnico.com

### Limited Review Report on Standalone Quarterly and Year to Date Unaudited Financial Results of Gujarat Fluorochemicals Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Gujarat Fluorochemicals Limited

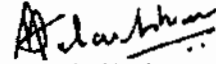
We have reviewed the accompanying statement of unaudited standalone financial results of Gujarat Fluorochemicals Limited (the "Company") for the quarter and nine months ended 31 December 2018 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 on 'Interim Financial Reporting' (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ("Ind AS") issued under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/2016 dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Kulkarni and Company  
Chartered Accountants  
Firm Registration No. 140959W

  
(A D Talavlikar)  
Partner  
Mem. No. 130432

Place: Pune  
Date: 13 February 2018



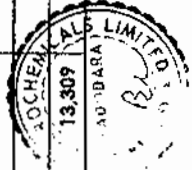


# GUJARAT FLUORO-CHEMICALS LIMITED

CIN : L24110GJ1987 PLC009362, Website : www.gfl.co.in , email : contact@gfl.co.in  
 Registered Office: 16/3, 26 & 27, Village Ranjithnagar, Taluka Goghamba, District Panchmahals, Gujarat 389 380

## STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31<sup>st</sup> DECEMBER, 2018

Sr. No.	Particulars	(Rs. in Lakhs)					
		3 Months ended 31/12/2018 (Unaudited)	Preceding 3 Months ended 30/09/2018 (Unaudited)	Corresponding 3 Months ended 31/12/2017 (Unaudited)	9 Months ended 31/12/2018 (Unaudited)	Corresponding 9 Months ended 31/12/2017 (Unaudited)	Year ended 31/03/2018 (Audited)
I	Revenue from operations (See Note 2)	67,366	68,024	52,684	2,04,867	1,48,780	2,08,431
II	Other income	1,669	4,287	2,629	7,316	7,331	8,637
III	<b>Total Income (I+II)</b>	<b>69,035</b>	<b>72,311</b>	<b>55,313</b>	<b>2,12,183</b>	<b>1,56,111</b>	<b>2,17,068</b>
IV	<b>Expenses</b>						
	Cost of materials consumed	23,653	22,252	13,274	71,309	38,023	53,938
	Purchases of stock-in-trade	5	-	-	15	-	-
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	(5,118)	(1,962)	2,041	(11,280)	2,868	3,842
	Excise duty	-	-	-	-	2,873	2,873
	Employee benefits expense	4,069	3,851	3,371	12,238	10,280	13,835
	Power and fuel	14,818	12,021	10,663	38,853	30,532	41,002
	Foreign exchange fluctuation (gain)/loss (net)	(444)	(1,300)	(429)	(2,925)	(891)	(1,665)
	Finance costs	1,265	1,710	733	4,168	3,051	4,762
	Depreciation and amortisation expense	4,074	3,993	3,867	11,930	11,447	15,214
	Other expenses	9,669	13,394	8,484	34,920	23,930	35,041
	<b>Total expenses (IV)</b>	<b>51,991</b>	<b>53,959</b>	<b>42,004</b>	<b>1,59,228</b>	<b>1,22,113</b>	<b>1,68,842</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>	<b>17,044</b>	<b>18,352</b>	<b>13,309</b>	<b>52,955</b>	<b>33,998</b>	<b>48,226</b>
VI	Exceptional items (see Note 3)	-	-	-	-	-	15,403
VII	<b>Profit before tax (V+VI)</b>	<b>17,044</b>	<b>18,352</b>	<b>13,309</b>	<b>52,955</b>	<b>33,998</b>	<b>63,629</b>





**Notes:**

- The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at its meeting held on 13<sup>th</sup> February, 2019 and have undergone 'Limited Review' by the Statutory Auditors.
- According to requirement of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, revenue from operations for the nine months ended 31<sup>st</sup> December 2017 and year ended 31<sup>st</sup> March 2018 was reported inclusive of excise duty. Goods and Services Tax ("GST") was implemented with effect from 1<sup>st</sup> July 2017, which subsumed excise duty. As per Ind AS 18, revenue from operations for the quarter ended 31<sup>st</sup> December 2018, quarter ended 30<sup>th</sup> September 2018 and quarter ended 31<sup>st</sup> December 2017 is reported net of GST. Therefore, revenue from operations for the current periods is not comparable with corresponding earlier periods. Comparable revenue from operations included in Total Income above has been computed by adjusting excise duty from the revenue from operations of respective previous period, on like-to-like basis and same is tabulated below :-

Particulars	(Rs. in Lakhs)					
	3 Months ended 31/12/2018 (Unaudited)	Preceding 3 Months ended 30/09/2018 (Unaudited)	Corresponding 3 Months ended 31/12/2017 (Unaudited)	9 Months ended 31/12/2018 (Unaudited)	Corresponding 9 Months ended 31/12/2017 (Unaudited)	Year ended 31/03/2018 (Audited)
Revenue from Operations (A)	67,366	68,024	52,684	2,04,867	1,48,780	2,08,431
Excise duty on sale (B)	-	-	-	-	2,873	2,873
<b>Revenue from operations excluding excise duty on sale (A-B)</b>	<b>67,366</b>	<b>68,024</b>	<b>52,684</b>	<b>2,04,867</b>	<b>1,45,907</b>	<b>2,05,558</b>

- Exceptional items during year ended 31<sup>st</sup> March 2018 is on account of Gain on sale of Company's stake in Subsidiary Company Inox Wind Limited.
- To meet the minimum public shareholding requirements by the Company's subsidiary Inox Wind Limited ("IWL"), the 'Promoter/Promoter Group' have sold, in aggregate, 2,35,61,331 equity shares in IWL in through an Offer for Sale (OFS) of shares through the stock exchange, in March 2018. The OFS included sale of 1,35,61,331 equity shares in IWL by GFL as a promoter. The net gain of Rs. 15,403 Lakhs on sale of these shares by GFL is included in Exceptional items above.
- During the quarter ended 30<sup>th</sup> September 2018, the Company has received appellate orders from Income-tax Appellate Tribunal ("ITAT") for two years (viz. assessment year 2012-13 and 2013-14) favourably upholding certain contentions raised by the Company at assessment stage. Consequently, the reduction in tax liability of Rs. 34,937 lakhs in respect of these two years is recognized as 'tax pertaining to earlier years' and interest of Rs. 2,776 lakhs on such income-tax refunds is included in other income. For the other years, the same matter is still pending before ITAT and hence, effect for the same will be given when the matter is decided by the ITAT for the respective years.
- The Company has a single operating segment viz. 'Chemicals'.



6. During the quarter ended 31st December 2018, the Company has acquired 64,00,000 additional equity shares in its subsidiary, Inox Leisure Limited (ILL). These shares are allotted by ILL, by way of a preferential allotment, after taking necessary approvals, at a price of Rs. 250 per equity share (including share premium of Rs. 240 per equity share), aggregating to Rs. 16,000 Lakhs. Consequently, the shareholding of the Company in ILL has increased from 48.09% to 51.32%.
7. The Board of Directors of Gujarat Fluorochemicals Limited has approved, subject to approval of its shareholders and creditors, and other regulatory approvals as may be required, including those of the Stock Exchanges, SEBI and the National Company Law Board Tribunal, a scheme for the demerger of its chemical business into its wholly owned subsidiary company, Inox Fluorochemicals Limited, a company incorporated on 6th December 2018 under the Companies Act, 2013. On completion of the demerger, all the shareholders of Gujarat Fluorochemicals Limited, will be issued one fully paid up equity share of Re 1 each in Inox Fluorochemicals Limited, for every one fully paid up equity share of Re 1 each held by them in Gujarat Fluorochemicals Limited. The Inox Fluorochemicals Limited therefore will be a mirror image company of Gujarat Fluorochemicals Limited, and will be separately listed.

Place: Noida

Date: 13<sup>th</sup> February, 2019



On behalf of the Board of Directors  
For Gujarat Fluorochemicals Limited

VIVEK JAIN

Managing Director

**Independent Auditor's Report to the Board of Directors of Inox Fluorochemicals Limited**

**Report on the audit of Interim Ind AS Financial Statements**

We have audited the accompanying Interim Ind AS financial statements of **Inox Fluorochemicals Limited** ("the Company") which comprises the Interim Balance Sheet as at 12 December 2018, the Interim Statement of Profit and Loss, the Interim Statement of Cash Flows and the Interim Statement of Changes in Equity for the period from 6 December 2018 to 12 December 2018, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 12 December 2018, and loss, its cash flows and changes in equity for the period ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Interim Ind AS Financial Statements**

The Company's Board of Directors is responsible for the preparation of these interim Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the



**Independent auditor's report to the Board of Directors of Inox Fluorochemicals Limited on the Interim Ind AS financial statements for the period ended 12 December 2018 (continued)**

preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

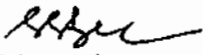
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Patankar & Associates  
Chartered Accountants  
Firm's Registration No. 107628W

  
S S Agrawal  
Partner  
Membership No. 049051



Place: Pune  
Date: 27 December 2018



**Inox Fluorochemicals Limited**  
**Interim Balance Sheet as at 12 December 2018**

Particulars	Note No.	(Rs. in Lakhs)
		As at 12 December 2018
<b>ASSETS</b>		
<b>Current assets</b>		
(a) Financial assets		
(i) Cash and cash equivalents	5	1.00
<b>Sub-total</b>		<b>1.00</b>
<b>Total Assets</b>		<b>1.00</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	6	1.00
(b) Other equity	7	(0.36)
<b>Sub-total</b>		<b>0.64</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Other financial liabilities	8	0.36
<b>Sub-total</b>		<b>0.36</b>
<b>Total Equity and Liabilities</b>		<b>1.00</b>

The accompanying notes are an integral part of the Interim Ind AS financial statements

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants



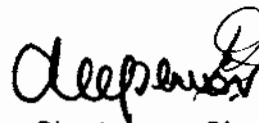

S S Agrawal  
Partner

Place: Pune

Date : 27 December 2018



**For Inox Fluorochemicals Limited**

Director Director

Place: Vadodara

Date : 27 December 2018

Inox Fluorochemicals Limited

Interim Statement of Profit and Loss for the period from 6 December to 12 December 2018


Particulars	Note No.	(Rs. in Lakhs) Period from 6 December to 12 December 2018
Revenue from operations		-
<b>Total Income</b>		<b>-</b>
<b>Expenses</b>		
Preliminary expenses written off	9	0.36
<b>Total expenses</b>		<b>0.36</b>
<b>Loss before tax</b>		<b>(0.36)</b>
Tax expense		-
<b>Loss for the period</b>		<b>(0.36)</b>
<b>Other comprehensive income</b>		<b>-</b>
<b>Total comprehensive income for the period</b> (comprising loss and other comprehensive income for the period)		<b>(0.36)</b>
<b>Basic and Diluted loss per equity share of Re. 1 each (In Rs.)</b>	13	<b>(0.36)</b>

The accompanying notes are an integral part of the Interim Ind AS financial statements

As per our report of even date attached

For Patankar & Associates

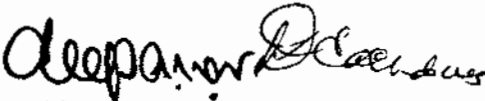
Chartered Accountants

  
S S Agrawal  
Partner



Place: Pune  
Date : 27 December 2018

For Inox Fluorochemicals Limited

  
Director

Place: Vadodara  
Date : 27 December 2018

**Inox Fluorochemicals Limited**  
**Interim Statement of Changes in Equity for the period from 6 December to 12 December 2018**

**A: Equity Share Capital**

(Rs. in Lakhs)

Particulars	
Changes in equity share capital during the period	1.00
<b>Balance as at 12 December 2018</b>	<b>1.00</b>

**B: Other Equity**

(Rs. in Lakhs)

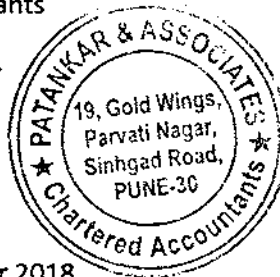
Particulars	Retained Earnings
Loss for the period	(0.36)
Total comprehensive income for the period	(0.36)
<b>Balance as at 12 December 2018</b>	<b>(0.36)</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
**For Patankar & Associates**  
Chartered Accountants

*SS Agrawal*  
SS Agrawal  
Partner

Place: Pune  
Date : 27 December 2018



**For Inox Fluorochemicals Limited**

*Deepenya* *D. Chaudhary*  
Director Director

Place: Vadodara  
Date : 27 December 2018

**Inox Fluorochemicals Limited**

**Statement of Cash Flows for the period from 6 December to 12 December 2018**

Particulars	(Rs. in Lakhs)
	Period from 6 December to 12 December 2018
<b>Cash flows from operating activities</b>	
Loss for the period	(0.36)
<b>Operating loss before working capital changes</b>	<b>(0.36)</b>
<b>Movements in working capital:</b>	
Other financial liabilities	0.36
<b>Cash used in operating activities</b>	<b>-</b>
Income taxes paid	-
<b>Net cash used in operating activities</b>	<b>-</b>
<b>Cash flows from financing activities</b>	
Shares issued during the period	1.00
<b>Net cash generated from financing activities</b>	<b>1.00</b>
<b>Net increase in cash and cash equivalents</b>	<b>1.00</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1.00</b>

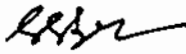
**Notes:**

1. The above statement of cash flows has been prepared under the Indirect method.
2. Components of cash and cash equivalents are as per note 5
3. The accompanying notes are an integral part of the Interim IND AS financial statements.

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants



S S Agrawal  
Partner



Place: Pune

Date : 27 December 2018

**For Inox Fluorochemicals Limited**



Director

Director

Place: Vadodara

Date : 27 December 2018

## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

#### **1. Company Information**

Inox Fluorochemicals Limited (the "Company") is incorporated on 6 December 2018 under the Companies Act, 2013 and is a wholly owned subsidiary of Gujarat Fluorochemicals Limited ("the Holding Company"). The Board of Directors of the Holding Company have approved, subject to approval of its shareholders and creditors, and other regulatory approvals as may be required, including those of the Stock Exchanges, SEBI and the Hon'ble National Company Law Board Tribunal, a scheme for the demerger of its chemical business into Inox Fluorochemicals Limited. Pursuant to the said scheme of demerger, the chemical business undertaking of the Holding Company will be demerged to Inox Fluorochemicals Limited with effect from the appointed date viz. 1 April 2019. Further, all the shareholders of Gujarat Fluorochemicals Limited, will be issued one fully paid up equity share of Re 1 each of Inox Fluorochemicals Limited, for every one fully paid up equity share of Re 1 each held by them in Gujarat Fluorochemicals Limited and simultaneously the existing share capital of Rs. 1 lakh of Inox Fluorochemicals will stand cancelled. The Company is yet to commence its commercial operations. As at 12 December 2018, it does not have any fixed assets, employees or turnover.

Inox Leasing and Finance Limited is the ultimate holding company. The Company's registered office is located at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380.

#### **2. Statement of compliance and basis of preparation and presentation**

##### **2.1 Statement of Compliance**

The first financial year of the Company is for the period from 6 December 2018 to 31 March 2019. These interim financial statements of the Company are specifically prepared for the purpose of submission to stock exchanges and other regulatory authorities in pursuance of the aforesaid scheme of demerger and comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act").

##### **2.2 Basis of Measurement**

These interim IND AS financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated. These are the first financial statements of the Company and hence there are no comparative amounts for the previous period.

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **2.3 Basis of Preparation and Presentation**

The financial statements have been prepared on accrual and going concern basis.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months.

These financial statements were authorized for issue by the Company's Board of Directors on 27 December 2018.

### **3. Significant Accounting Policies**

#### **3.1 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **3.1.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years, items that are never taxable or deductible and tax incentives. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### **3.1.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### **3.1.3 Presentation of current and deferred tax :**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

#### **3.2 Provisions and contingencies**

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

#### **3.3 Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial



## Inox Fluorochemicals Limited

### Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018

liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### A) Financial assets

##### a) Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

##### b) Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

##### c) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

##### i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

##### ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:





## Inox Fluorochemicals Limited

### Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018

- a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments classified under financial assets are initially measured at fair value. The Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognized as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

The Company does not have any financial assets in this category.

#### iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognized as 'other income' in the Statement of Profit and Loss.

The Company does not have any financial assets in this category.

#### d) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

#### **e) Impairment of financial assets:**

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

The Company does not have any trade receivables as at 12 December 2018.

In case of assets listed as (i) and (ii) above, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense / income in the Statement of Profit and Loss under the head 'Other expenses' / 'Other income'.

#### **B] Financial liabilities and equity instruments**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **i. Equity instruments:-**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company member are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### **ii. Financial Liabilities:-**

###### **a) Initial recognition and measurement :**

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.



## **Inox Fluorochemicals Limited**

### **Notes to the Interim IND AS financial statements for the period from 6 December to 12 December 2018**

#### **b) Subsequent measurement:**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

The Company has not designated any financial liability as at FVTPL.

#### **c) Derecognition of financial liabilities:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

#### **3.4 Earnings Per Share**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### **4 Critical accounting judgements and use of estimates**

In application of Company's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.



Inox Fluorochemicals Limited

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

Particulars	(Rs. in Lakhs)
	As at 12 December 2018
<b>5: Cash and cash equivalents</b>	
<b>Balances with banks</b>	
In current account	1.00
<b>Total</b>	<u>1.00</u>



**Inox Fluorochemicals Limited**

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

Particulars	(Rs. in Lakhs)
	As at 12 December 2018

**6: Equity share capital**

<b>Authorised capital</b>	
1,00,000 equity shares of Rs. 1 each	1.00
<b>Issued, subscribed and paid up</b>	
1,00,000 equity shares of Rs. 1 each fully paid up	1.00
	1.00

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period**

Particulars	As at 12 December 2018	
	No. of shares	Rs. (in Lakhs)
Shares issued during the period	1,00,000	1.00
Shares outstanding at the end of the period	1,00,000	1.00

**(b) Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 1 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

**(c) Shares held by holding company**

Particulars	As at 12 December 2018	
	No. of shares	Rs. (in Lakhs)
Gujarat Fluorochemicals Limited (*)	1,00,000	1.00

**(d) Details of shareholders holding more than 5% shares in the Company:**

Name of shareholder	As at 12 December 2018	
	No. of shares	Holding %
Gujarat Fluorochemicals Limited (*)	1,00,000	100.00%

(\*) Including shares held through nominee shareholders



Inox Fluorochemicals Limited

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

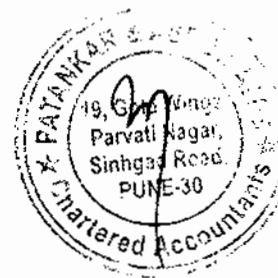
(Rs. in Lakhs)	
Particulars	As at 12 December 2018
<b>7: Other Equity</b>	
Retained earnings	(0.36)
<b>Total</b>	<b>(0.36)</b>
<b>Retained earnings</b>	
Particulars	As at 12 December 2018
Loss for the period	(0.36)
<b>Balance at the end of the period</b>	<b>(0.36)</b>



Inox Fluorochemicals Limited

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

Particulars	(Rs. in Lakhs)
	As at 12 December 2018
<b>8: Other financial liabilities</b>	
Expenses payable	0.36
<b>Total</b>	<b>0.36</b>



**Inox Fluorochemicals Limited**

**Notes to the Interim financial statements for the period from 6 December to 12 December 2018**

Particulars	(Rs. in Lakhs) Period from 6 December to 12 December 2018
9: Preliminary expenses written off	
Preliminary expenses written off	0.36
<b>Total</b>	<b>0.36</b>





Inox Fluorochemicals Limited

Notes to the Interim financial statements for the period from 6 December to 12 December 2018

10: Related party transactions

(i) Where control exists:

Gujarat Fluorochemicals Limited (GFL) - holding company

Inox Leasing and Finance Limited - ultimate holding company

(ii) Particulars of transactions

(Rs. in Lakhs)

Particulars	With parties where control exists	Total
<b>A) Transactions during the period</b>	<b>Period from 6 December to 12 December 2018</b>	<b>Period from 6 December to 12 December 2018</b>
(a) Share issued		
Gujarat Fluorochemicals Limited	1.00	1.00
(b) Reimbursement of expenses paid		
Gujarat Fluorochemicals Limited	0.36	0.36
<b>B) Balances at the end of the year</b>	<b>As at 12 December 2018</b>	<b>As at 12 December 2018</b>
(a) Amounts payable		
<b>(i) Other payables</b>		
Gujarat Fluorochemicals Limited	0.36	0.36

Notes:

(a) Amounts outstanding are unsecured and will be settled in cash.

(b) There have been no guarantees, received or provided, for any related party receivables or payables.



**11: Financial Instruments**

The Company is yet to commence its commercial operations and accordingly the financial instruments held by the Company are not significant.

**(i) Capital management**

The Company is wholly owned by its parent company and it does not have any borrowings and is not subject to any externally imposed capital requirements.

(ii) Categories of financial instruments	(Rs. in lakhs)
Particulars	As at 12 December 2018
<b>Financial assets</b>	
<b>Measured at amortised cost</b>	
(i) Cash and bank balances	1.00
<b>Financial liabilities</b>	
<b>Measured at amortised cost</b>	
(i) Other financial liabilities	0.36

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

**(iii) Financial risk management**

The Company is yet to commence its commercial operations. Its financial liabilities comprise only of expenses payables of Rs. 0.36 lakhs. The Company's financial assets comprise only of bank balances of Rs. 1.00 lakhs.

The financial assets and liabilities of the Company are not exposed to changes in foreign currency exchange risk, interest rate and other price risk. Further, there is no credit risk as the financial assets comprise only of bank balance with reputed bank.



**Inox Fluorochemicals Limited**

**Notes to the Interim financial statements for the period from 6 December to 12 December 2018**

**14: Financial Instruments - continued**

**Liquidity risk management**

The Company manages its liquidity by financial support of holding company.

The following table details the remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Rs. in lakhs)

Particulars	Upto 1 year	3-5 years	5+ years	Total contractual cash flows
Other financial liabilities	0.36		-	0.36

Other financial liabilities of the Company will be repaid with the support of the holding company and cash and bank balances.

**(iv) Financial instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortized cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different than the values that be eventually received or paid.



12. Income tax recognised in profit or loss

(Rs. in Lakhs)	
Particulars	Period from 6 December to 12 December 2018
Current tax	Nil
Deferred tax	Nil
<b>Total income tax expense recognised in the current period</b>	<b>Nil</b>

a. The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rs. in Lakhs)	
Particulars	Period from 6 December to 12 December 2018
Loss before tax	(0.36)
Income tax using the Company's domestic tax rate @ 26%	(0.09)
Effect of non-deductible expenses	0.09
<b>Income tax expense recognised in profit or loss</b>	<b>-</b>

The tax rate used for the Period from 6 December to 12 December 2018 is the corporate tax rate of 26% payable by corporate entities in India (where turnover is less than Rs. 250 crore in F.Y 2016-17) on taxable profits under the Indian tax law.



**Inox Fluorochemicals Limited**

**Notes to the Interim financial statements for the period from 6 December to 12 December 2018**

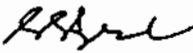
**13. Earnings per share:**

Particulars	Period ended 12 December 2018
a) Net loss attributable to equity shareholders (Rs. in lakhs)	(0.36)
b) Weighed average number of equity shares used in calculation of basic and diluted EPS (Nos)	1,00,000
c) Nominal value of equity share (Rs.)	1
d) Basic and diluted loss per equity share (Rs)	(0.36)

As per our report of even date attached

**For Patankar & Associates**

Chartered Accountants

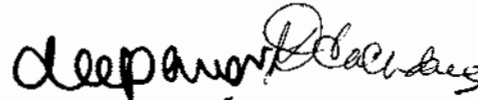
  
S S Agrawal  
Partner



Place: Pune

Date : 27 December 2018

**For Inox Fluorochemicals Limited**

  
Deepankar Desai  
Director

Place: Vadodara

Date : 27 December 2018

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**GUJARAT FLUORO CHEMICALS LIMITED**

(CIN: L24110GJ1987PLC009362)

**Registered office:** Survey Number 16/3, 26 and 27, Village Ranjitnagar  
Taluka Ghoghamba, District Panchmahal, Gujarat - 389380

**Telephone:** 02678-248153, **Fax:** 02678-248153

**Website:** www.gfl.co.in, **Email id:** bvdesai@gfl.co.in

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH  
COMPANY SCHEME APPLICATION NO 46 OF 2019**

In the matter of Companies Act, 2013;

And

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

And

In the matter of Scheme of Arrangement between  
Gujarat Fluorochemicals Limited ('The Demerged  
Company' or 'GFL 1') and Inox Fluorochemicals  
Limited ('The Resulting Company' or 'GFL 2') and their  
respective Shareholders

**Gujarat Fluorochemicals Limited,** )  
a company incorporated under the provisions )  
of the Companies Act, 1956, and having its Registered Office )  
at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, )  
District Panchmahal, Gujarat-389380 )

..... **Applicant Company**

**PROXY FORM**

Name of the Unsecured Creditors(s)	
Registered Address	

I / We being the Unsecured Creditors(s) of the above named Company, hereby appoint:

- 1) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her;
- 2) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her;
- 3) Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my / our proxy, to attend and vote , act for me/us and on my /our behalf at the Meeting of the Unsecured Creditors of the Applicant Company to be held at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India on Saturday, 11<sup>th</sup> day of May, 2019 at 12:30 pm for the purpose of considering and, if thought fit, approving, with or without modification(s), the Arrangement embodied in the Scheme of Arrangement between Gujarat Fluorochemicals Limited with Inox Fluorochemicals Limited and their respective Shareholders (the "Scheme") and at such Meeting and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) (\_\_\_\_\_ here, if 'for', insert '**FOR**', if 'against', insert '**AGAINST**', and in the later case, strike out the words below after 'the Scheme') the said Arrangement embodied in the Scheme, either with or without modification(s)\*, as my/our proxy may approve. (\*Strike out whatever is not applicable)

Sr. No.	Particulars	For	Against
1	Approval of Scheme of Arrangement between Gujarat Fluorochemicals Limited ('The Demerged Company' or 'GFL 1') with Inox Fluorochemicals Limited ('The Resulting Company' or 'GFL 2') and their respective Shareholders		

Affix Revenue Stamp of Re. 1
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Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of Unsecured Creditors (s) \_\_\_\_\_

Signature of Proxy holder (s) \_\_\_\_\_

(Signature across the stamp)

**NOTES:**

1. An unsecured creditor entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a unsecured creditor of the Company.
2. The Form of Proxy must be deposited at the Registered Office of the Company at Survey No 16/3, 26 and 27 Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat – 389380, India not less than 48 (Forty Eight) hours prior to the commencement of the aforesaid Meeting.
3. All alterations made in the Form of Proxy should be initialed.
4. In case multiple proxies are received not less than 48 (Forty Eight) hours before the time of holding the aforesaid Meeting, the proxy received later in time shall be accepted. Also, a person who is a minor cannot be appointed as proxy.



## GUJARAT FLUOROCHEMICALS LIMITED

(CIN: L24110GJ1987PLC009362)

**Registered office:** Survey Number 16/3, 26 and 27, Village Ranjitnagar,  
Taluka Ghoghamba, District Panchmahal, Gujarat - 389380

**Telephone:** 02678-248153, **Fax:** 02678-248153

**Website:** www.gfl.co.in, **Email id:** bvdesai@gfl.co.in

### ATTENDANCE SLIP

(To be handed over at the entrance of Meeting Hall)

I /We hereby record my/ our presence at the meeting of the Unsecured Creditors of the Applicant Company, convened pursuant to the order of the National Company Law Tribunal, Bench at Ahmedabad, to be held at Registered Office of the Company situated at Survey Number 16/3, 26 and 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat -389380 on Saturday, 11<sup>th</sup> day of May, 2019 at 12.30 pm.

I certify that I am an Unsecured Creditor / authorised signatory for the Unsecured Creditor of the Company.

Sr. No. :

Unsecured Creditor's Name and Address details	
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Name of Authorised Person	

#### Notes:

1. Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.
2. Unsecured Creditors attending the meeting are requested to bring their copy of the Scheme with them.

\_\_\_\_\_  
Unsecured Creditor's /Authorised Signatory's Signature

# Route Map for the Venue of the Meeting

